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UNITED NATIONS POPULATION FUND

Estimates for the Biennial Support Budget for 2004-2005

Summary

The Executive Director, UNFPA, submits herewith the estimates for the biennial support budget for 2004-2005, which total $169.6 million (gross) and $155.0 million (net).

This proposal presents a biennial support budget that provides greater support to country offices, growth where affordable and cost containment where necessary.

It provides greater support to country offices because it consolidates the cost of establishing a new typology for UNFPA country offices, the implementation of which began in mid-2003. This proposal incorporates for the full biennium the resources needed to provide additional strength to country offices, including upgraded audit services, improved support in human resources management and an integrated Enterprise Resource Planning (ERP) system.

It provides growth because the underlying income estimate of $584.1 million from regular resources is $39.1 million, or 7.2 per cent, higher than in the revised proposal for the 2002-2003 biennium, despite the loss of a contribution from a major donor.

It also provides cost containment for several operating costs that have been limited to their 2002-2003 levels or adjusted downward.

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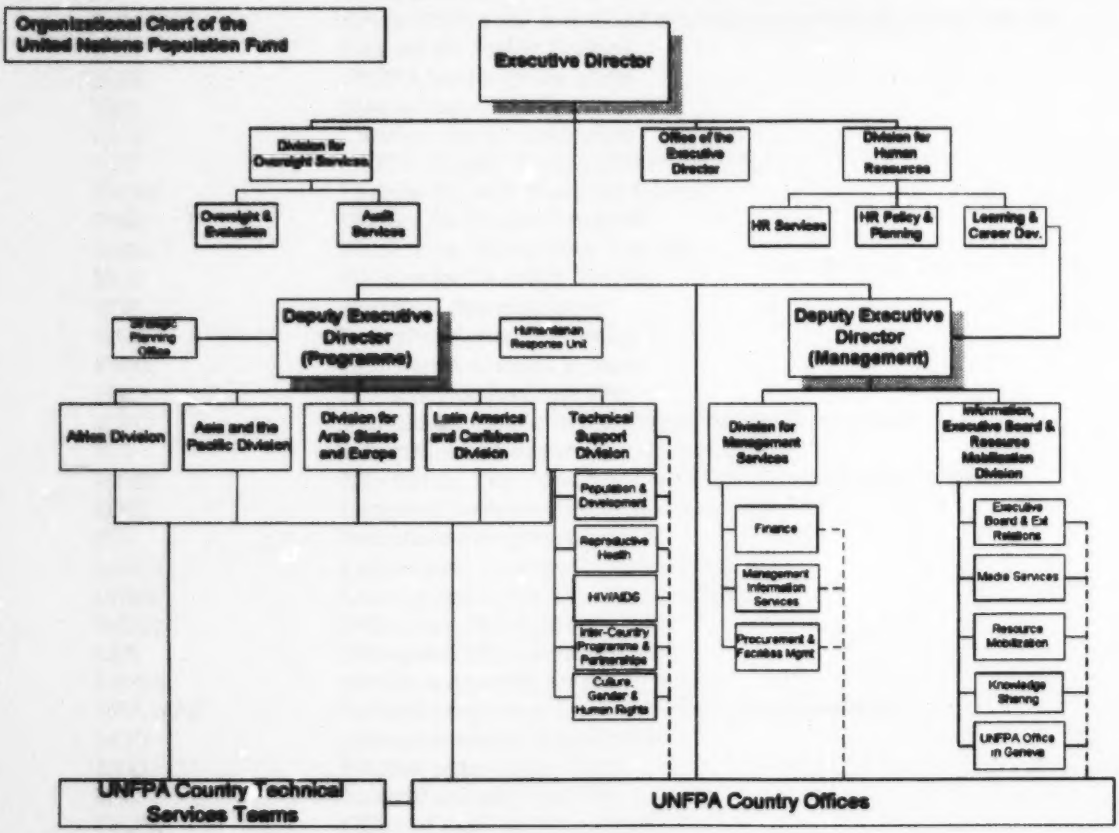
ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Coordination
AD	Africa Division
AOS/MSS	Administrative and operational services/managerial and support services
APD	Asia and the Pacific Division
BRG	UNFPA budget review group
BSB	Biennial support budget
CCA	Common country assessment
CST	UNFPA Country Technical Services Team
DASE	Division for Arab States and Europe
DHR	Division for Human Resources
DMS	Division for Management Services
DOS	Division for Oversight Services
EDP	Electronic data processing
ERP	Enterprise Resource Planning
FNAS	Fields needs assessment study
HRU	Humanitarian Response Unit
ICPD	International Conference on Population and Development
ICT	Information and communications technology
IERD	Information, Executive Board and Resource Mobilization Division
IMIS	Integrated management information system
IPO	International programme officer
LACD	Latin America and the Caribbean Division
LCDB	Learning and Career Development Branch
MDGs	Millennium Development Goals
MIS	Management information services
MOSS	Minimum operating security standards
NPA/NAF	National programme assistant/national finance assistant
NGO	Non-governmental organization
NPO	National programme officer
NSC	National secretary and clerk
OAPR	Office of Audit and Performance Review
OED	Office of the Executive Director
OHR	Office of Human Resources
OOE	Office of Oversight and Evaluation
PAD	Performance appraisal and development system
PRMS	Programme resource management system
PRSP	Poverty reduction strategy paper
RBM	Results-based management
SPCD	Strategic Planning and Coordination Division
SPO	Strategic Planning Office
SWAp	Sector-wide approach
TAP	Technical Advisory Programme
TSD	Technical Support Division
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group

UNSECOORD	Office of the United Nations Security Coordinator
UNWGCPS	United Nations Working Group on Common Premises and Services
WFPE	Work force planning exercise
WINPRMS	Windows-based programme resource management system
WINUNIFOS	Windows-based UNFPA integrated field office system


Organizational Chart of the United Nations Population Fund
Executive Director
Division for Oversight Services
Office of the Executive Director
Division for Human Resources
Oversight & Evaluation
Audit Services
HR Services
HR Policy & Planning
Learning & Career Dev.
Strategic Planning Office
Deputy Executive Director (Programme)
Humanitarian Response Unit
Deputy Executive Director (Management)
Africa Division
Asia and the Pacific Division
Division for Arab States and Europe
Latin America and Caribbean Division
Technical Support Division
Population & Development
Reproductive Health
HIV/AIDS
Inter-Country Programme & Partnerships
Culture, Gender & Human Rights
Division for Management Services
Finance
Management Information Services
Procurement & Facilities Mgmt
Information, Executive Board & Resource Mobilization Division
Executive Board & Ext Relations
Media Services
Resource Mobilization
Knowledge Sharing
UNFPA Office in Geneva
UNFPA Country Technical Services Teams
UNFPA Country Offices

I. EXECUTIVE SUMMARY

1. The Executive Director of the United Nations Population Fund (UNFPA) submits herewith the estimates for the biennial support budget for 2004-2005, which total $169.6 million (gross)[1]. These estimates are based on a resource framework of $750.6 million for total income, which consists of $586.7 million in regular resources and $163.9 million in other resources. This proposal will be presented to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for its examination and comments. The report of the ACABQ is contained in document DP/FPA/2003/12.

2. The proposed budget has been prepared in accordance with the harmonized format and guidelines for UNDP, UNFPA and UNICEF, approved by the UNDP/UNFPA Executive Board in decisions 97/6 and 99/3[2]. In order to respond to concerns raised by the ACABQ[3], UNFPA, along with its partner agencies, has developed a slightly modified format for the document, with a shorter executive summary and an improved strategic focus. Charts that were redundant vis-à-vis the harmonized tables have been eliminated[4], and two large tables have been placed at the end of the document.

A. Implementation of the 2002-2003 revised biennial support budget

3. Through its decision 2002/24, the Executive Board approved revised gross appropriations for 2002-2003 in the amount of $155.2 million as indicated in the revised estimates for the biennial support budget for 2002-2003 (document DP/FPA/2002/9). The total appropriations were based on an expected income from regular resources of $545.0 million for the biennium. The UNFPA revised budget proposal also included a contingency plan, based on a lower regular resources income estimate of $492 million for the 2002-2003 biennium, reflecting the loss of a contribution from one of the major donors of the Fund.

4. In its decision 2002/24, paragraph 7, the Executive Board requested the Executive Director to ensure that, should it become necessary to implement the contingency plan presented in document DP/FPA/2002/9, total gross appropriations would be adjusted accordingly. The current estimate for UNFPA regular income for the 2002-2003 biennium[5] totals $543.5 million, $51.5 million more than the estimates underlying the contingency scenario. As a result, biennial support budget expenditures over the same period are expected to increase, but not beyond $155.0 million, despite the increase in salary scales for international staff approved by the General Assembly, effective 1 January 2003.

5. The table below summarizes the planned implementation of the revised biennial support budget for 2002-2003, by appropriation line and year.

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[1] *Gross budget*: The budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis (i.e., inclusive of income tax payments for staff, total local office costs, and cost of services to be rendered). *Net budget*: The budget in which estimates of payments to be received offset, in whole or in part, the related gross budget estimates.

[2] Documents DP/1997/2, Add.1, and DP/FPA/1999/1 provide details on the common format, terms and definitions, and methodology for the presentation of budget estimates. Annex I of this report contains a list of terms and their definitions as agreed by UNDP, UNFPA and UNICEF. Annex II contains an explanation of the methodology applied in calculating the budget estimates.

[3] Document DP/FPA/2002/10, Report of the Advisory Committee on Administrative and Budgetary Questions on the UNFPA revised estimates for the biennial support budget for 2002-2003, paragraph 12, page 4.

[4] Charts entitled "Budget estimates by appropriation line" and "Regular resources posts by appropriation line".

[5] $256.0 million in 2002 and $287.5 million estimated for 2003 as of May 2003.

Biennial support budget planned implementation, 2002-2003 (Millions of United States dollars)						
Appropriation line	Cost Lines	[illegible]	Expenditures 2002 a/	Expenditures 2003 b/	[illegible]	Implementation rate (%)
		1	2	3	4=2+3	5=4:1
Headquarters	Post-related	52.5	26.6	25.2 c/	51.8	99.2
	Other	27.0	13.1	15.8 d/	28.9	107.0
	Total	79.5	39.7	41.0	80.7	101.9
Country offices	Post-related	55.4	25.5	29.2	54.7	98.7
	Other	20.6	8.4	11.1	19.5	94.7
		76.0	33.9	40.3	74.2	97.6
Grand total	Total e/	155.5	73.6	81.3	155.0	99.8

a/ UNFPA annual financial statements for the year ended 31 December 2002 (not audited).
b/ Estimate.
c/ Reflects higher vacancy rates due to limited resources.
d/ Reflects the fixed nature of increasing headquarters costs.
e/ Figures may not add up to the total due to rounding.

B. Strategic framework of the 2004-2005 biennial support budget

6. Multi-year funding framework (MYFF). The MYFF is the organizational medium-term strategic plan for UNFPA, which consists of a strategic results framework and an integrated resources framework. It operationalizes the commitment of the Fund towards mainstreaming results-based management. The MYFF provides a framework for country and intercountry programmes and the Technical Advisory Programme (TAP). UNFPA presented a cumulative report on the implementation of the MYFF for the period 2000-2003 (document DP/FPA/2003/4 (Part II)) to the annual session 2003 of the Executive Board. This report shows that there has been progress in achieving the outputs of UNFPA-supported programmes and in increasing the capacity of the Fund to manage for results, despite unpredictable levels of funding.

7. The MYFF for 2004-2007 is presently being developed, building on the lessons learned in the implementation of the current multi-year framework and the new strategic direction of UNFPA, in consultation with the Executive Board and other partners. The next MYFF will translate the strategic direction of the Fund into a four-year strategic plan, including the results to be achieved and the resources required to achieve them.

8. The resource framework for the 2004-2005 biennial support budget proposal is consistent with the 2004-2007 MYFF that is under preparation. The breakdown of biennial support budget resources among different appropriation lines has been designed to ensure that adequate support is provided to strategic priorities. Examples include resources set aside for upgraded local posts in country offices, improved country office connectivity and provision for the Enterprise Resource Planning (ERP) project.

9. The UNFPA transition process, which began with the field needs assessment study in 2001, concluded in December 2002. The transition exercise determined that in order to improve the contribution of the Fund to achieving development goals and increasing the efficacy of resource

utilization, UNFPA should strengthen its human resources in country offices and adopt a more strategic approach to programming.

10. The outcomes of the transition include: (a) a new strategic direction to help developing countries achieve the goals of the International Conference on Population and Development (ICPD), the five-year review of ICPD (ICPD+5) and the Millennium Development Goals (MDGs); (b) a realigned organizational structure, with a country office typology; (c) a new image for increased visibility; (d) improved programme management capacity at country offices through the establishment of new operations manager posts; (e) a competency-based human resources strategy, and a learning and training strategy to support implementation of the transition; and (f) the building of knowledge assets around key areas. The present biennial support budget proposal will continue to provide support to the organization to reach the outcomes of the transition.

11. New strategic direction. The new strategic direction helps UNFPA to be more effective in implementing the ICPD Programme of Action and in contributing to the attainment of the MDGs and poverty reduction. A review of the programming environment identified organizational programming priorities and strategies to implement the ICPD Programme of Action more effectively. The strategic direction calls for UNFPA to adopt an alliance-building approach to programming with other development partners. This will allow the Fund to leverage and guide the use of additional resources to further the ICPD agenda and the key actions of ICPD+5, and to increase the efficacy of resource utilization in population, reproductive health and gender.

12. UNFPA support for programmes will be more closely tied to policy development in pressing areas of global concern, including: (a) reducing poverty; (b) improving maternal health; (c) preventing HIV/AIDS; (d) promoting adolescent health and development; (e) ensuring gender equality and women's empowerment; (f) addressing gender-based violence; (g) respecting human rights; (h) responding to humanitarian crises; and (i) ensuring that development activities are compatible with a sustainable environment. UNFPA will bring reproductive health, gender and population into the broader development and poverty-reduction context. The new global and national partnership frameworks will also promote greater synergy among thematic areas.

13. Improving organizational performance. The strategic direction exercise also defined areas where UNFPA could increase its organizational effectiveness by managing for results. This means having the right people in the right place and strengthening the systems that support them. UNFPA is therefore improving its human resources base and its technical capacity to carry out its leadership role in implementing the ICPD Programme of Action.

14. To achieve development results, UNFPA places high priority on enhancing staff capacity for strategic planning and management in order to strengthen country office performance. The country office typology provides human capacity at the country level, where it is most needed. In addition, the new performance management system revolves around a competency framework that will guide staff recruitment and professional development.

15. UNFPA is also investing in developing partnerships with other United Nations agencies and government counterparts to harmonize and simplify programming processes. To ensure effective participation in global and national development frameworks, the technical skills of staff must be strengthened and upgraded. Country office staff must be able to operate effectively in the national policy-making environment, to link support for programmes more closely to policy development and to increase the availability of replicable experiences, good practices and lessons learned. The Fund must strengthen

advocacy skills at all levels and provide convincing evidence of the role of gender equality, reproductive health and population dynamics in poverty reduction.

16. Enterprise Resource Planning (ERP) project. To effectively carry out its role in programme and organizational management, UNFPA, together with its partners, must invest in strengthening its capacity for data collection, analysis and utilization, and in building management information systems. One of the most far-reaching investments will be the introduction of the ERP system in January 2004. ERP is an integrated operating system that will automate financial, accounting, procurement and human resources management and will, for the first time, link programme results with resources.

C. Financial implications of implementing the strategic framework of the 2004-2005 biennial support budget

17. The proposed budget for 2004-2005 is based on $750.6 million for total income, which consists of $586.7 million in regular resources and $163.9 million in other resources. The projection for other resources derives from $136.0 million from donor contributions, $24.0 million from foundations, $1.4 million from overhead recovery and $2.5 million from reimbursable procurement.

18. The estimate of $586.7 million in regular resources income and the estimate of $750.6 million for total resources income represent an increase of 7.7 per cent and 6.8 per cent, respectively, vis-à-vis the corresponding estimates of $545.0 million and $702.5 million contained in document DP/FPA/2002/9. Several factors make this projected increase realistic: the extrapolation of recent trends in pledges made by major donor countries; a wider donor basis for UNFPA, with contributions received from a record 135 countries in 2002; the continuing appreciation of the euro with respect to the United States dollar; and the 34 Million Friends Campaign, which has generated over $1.3 million so far.

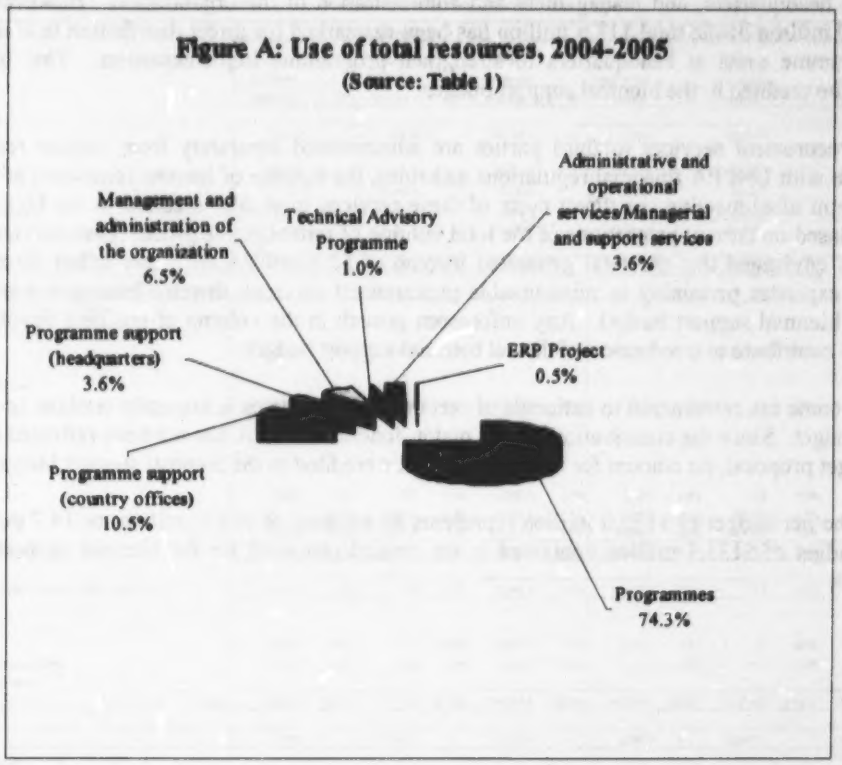
19. The revised estimates of UNFPA resources for the 2004-2005 biennium and a breakdown of their planned use are displayed in table 1. The opening balances total $125.5 million: $2.5 million from regular resources and $123.0 million from other resources. The opening balance increases to $876.1 million the total resources available for programme and programme-support activities in 2004-2005. As noted in table 1[6], $2.8 million will be transferred to the operational reserve, since UNFPA is mandated to maintain its operational reserve at 20 per cent of the projected regular resources income.

20. Figure A shows how total resources will be used in the 2004-2005 biennium. The largest portion of total resources, $557.8 million, or 74.3 per cent of the total expected expenditures, will be expended directly on programmes, as compared to 76.6 per cent in document DP/FPA/2002/9. The budget proposal also includes a provision for additional start-up costs for the ERP project ($3.8 million or 0.5 per cent of total expected expenditures). Combined with the $10.0 million set aside for the ERP project in document DP/FPA/2002/9, this amounts to a total investment for ERP start-up costs of $13.8 million over the 2002-2005 period.

21. Of the total estimated expenditures, 20.6 per cent will be used for three components of the biennial support budget: programme support at the country level (10.5 per cent); programme support at headquarters (3.6 per cent); and management and administration of the organization (6.5 per cent). This represents an increase from the corresponding figure of 17.7 per cent for these items, contained in the revised estimates for the biennial support budget for 2002-2003. It should be noted, however, that most of this increase (62.1 per cent) is for programme support for country offices.

[6] Footnote f.

Figure A: Use of total resources, 2004-2005
(Source: Table 1)


Management and administration of the organization 6.5%
Technical Advisory Programme 1.0%
Administrative and operational services/Managerial and support services 3.6%
Programme support (headquarters) 3.6%
ERP Project 0.5%
Programme support (country offices) 10.5%
Programmes 74.3%

22. The budget estimates total $155.0 million (net) or $169.6 million (gross). These represent 26.4 per cent (net) or 28.9 per cent (gross) of the regular resources income estimate of $586.7 million. Calculated as a percentage of the total estimated resources of $750.6 million for the biennium, the net biennial support budget represents 20.7 per cent and the gross biennial support budget represents 22.6 per cent.

23. One per cent of total resources, or $7.2 million, constitutes the 2004-2005 provision for the implementation of the TAP, which falls under programme support[7]. The overhead recovery for implementing programmes funded from both regular and other resources is estimated at $27.0 million, or 3.6 per cent, of the total use of resources.

24. Income to the biennial support budget. Reimbursement for services rendered by UNFPA is recorded as income to the regular resources budget to compensate for related administrative costs, as

[7] Eighty per cent of TAP resources are accounted for as programme activities (UNFPA Country Technical Services Team (CST) posts and activities) while the remaining 20 per cent of TAP resources fall under programme support (CST office costs).

required in the harmonized budget format[9]. In previous budget proposals, the total estimate of income to the budget was credited proportionately among programme support at the country level, programme support at headquarters, and management and administration of the organization. However, for 2004-2005, $4.0 million of the total $18.6 million has been earmarked for direct distribution to country offices and programme units at headquarters to strengthen programme implementation. This leaves $14.6 million to be credited to the biennial support budget.

25. Procurement services to third parties are administered separately from regular resources. In accordance with UNFPA financial regulations and rules, the balance of income remaining at the close of the biennium after meeting the direct costs of these services is usually credited to the biennial support budget. Based on current projections of the total volume of reimbursable procurement services for 2004-2005, it is envisaged that the total generated income of $2.5 million will fully offset direct costs and operating expenses pertaining to reimbursable procurement services, thereby leaving a zero balance to credit the biennial support budget. Any unforeseen growth in the volume of business beyond projected levels will contribute to a reduction of the net biennial support budget.

26. Income tax reimbursed to nationals of certain Member States is normally credited to the biennial support budget. Since the contribution from a major donor to UNFPA has not been reflected in the 2004-2005 budget proposal, no amount for income tax will be credited to the biennial support budget.

27. The net budget of $155.0 million represents an increase of $19.9 million, or 14.7 per cent, from the net budget of $135.1 million contained in the revised estimates for the biennial support budget for 2002-2003.

[9] Document DP/1997/2

Table 1. UNFPA resource plan

(Thousands of United States dollars) a/

	2002-2003 revised b/						2004-2005					
	Regular resources		Other resources		Total resources		Regular resources		Other resources		Total resources	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Resources available												
Opening balance	39,872.0		137,575.0		177,447.0		2,500.0		123,000.0		125,500.0	
Income												
Contributions	343,000.0		116,230.0		459,230.0		384,100.0		136,000.0		520,100.0	
Other c/	0.0		38,750.0		38,750.0		2,500.0		25,640.0		28,140.0	
Reimbursement for services	0.0		2,500.0		2,500.0		0.0		2,500.0		2,500.0	
Subtotal	343,000.0		157,500.0		500,500.0		386,600.0		163,940.0		550,740.0	
Total	382,872.0		295,075.0		677,947.0		389,100.0		286,940.0		676,040.0	
Use of resources - programmes and support activities												
UNFPA programmes and support activities												
A. Programmes	280,542.7	69.3%	192,794.0	97.6%	473,336.7	78.6%	400,659.2	69.8%	137,180.8	94.2%	537,840.1	74.3%
B. Programme support												
Country offices	66,195.4	11.7%	0.0	0.0%	66,195.4	8.7%	79,122.4	13.6%	0.0	0.0%	79,122.4	10.5%
Headquarters	27,489.1	4.9%	0.0	0.0%	27,489.1	3.6%	26,668.4	4.6%	0.0	0.0%	26,668.4	3.6%
Agencies												
Technical support	7,600.0	1.3%	0.0	0.0%	7,600.0	1.0%	7,240.0	1.2%	0.0	0.0%	7,240.0	1.0%
ACS/AIDS	18,770.0	3.3%	4,681.0	2.4%	23,451.0	3.1%	17,250.0	3.0%	9,750.0	5.8%	27,000.0	3.6%
Subtotal	26,370.0	4.7%	4,681.0	2.4%	31,051.0	4.1%	24,490.0	4.2%	9,750.0	5.8%	34,240.0	4.6%
Total programme support	120,054.5	21.3%	4,681.0	2.4%	124,735.5	16.4%	130,280.8	22.3%	9,750.0	5.8%	140,030.8	18.7%
C. Management and administration of the organization	41,441.8	7.3%	0.0	0.0%	41,441.8	5.4%	49,170.0	8.4%	0.0	0.0%	49,170.0	6.5%
D. One-time costs												
ERP project	10,000.0	1.8%	0.0	0.0%	10,000.0	1.3%	3,750.0	0.6%	0.0	0.0%	3,750.0	0.5%
Additional requirements for termination payments	2,000.0	0.4%	0.0	0.0%	2,000.0	0.3%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total	564,039.0	100.0%	197,475.0	100.0%	761,514.0	100.0%	583,900.0	100.0%	146,940.0	100.0%	730,840.0	100.0%
Closing balance	17,900.0	d/	97,600.0		115,100.0		2,500.0	d/	123,000.0		122,500.0	
Biennial support budget												
Total net budget estimates	135,136.3		0.0		135,136.3		154,500.0		0.0		154,500.0	
Estimated income and adjustments												
Reimbursement for services d/	14,070.0		0.0		14,070.0		14,600.0		0.0		14,600.0	
Supplemental funding - recovery												
Other e/	6,000.0		0.0		6,000.0		0.0		0.0		0.0	
Subtotal	20,070.0		0.0		20,070.0		14,600.0		0.0		14,600.0	
Total gross budget estimates	155,196.3		0.0		155,196.3		169,500.0		0.0		169,500.0	

a/ Figures in this table and in the rest of the document are rounded to the closest decimal; thus, there may be minor differences due to rounding.

b/ As projected in the revised estimates for the biennial support budget for 2002-2003 (document DP/FPA/2002/9).

c/ Other contributions include (a) under regular resources, $2.36 million recovery distributed to country offices; (b) under other resources, $1.44 million recovery distributed to country offices plus $34.9 million from foundations.

d/ Of the recovery of $18.6 million, $4.0 million is distributed to country offices (see above note c) and headquarter programme units yielding $14.6 million to be credited to the biennial support budget.

e/ Reimbursement of income tax to staff members who are nationals of certain States not reserved in 2004-2005.

f/ Closing balance does not include the mandated $2.8 million adjustment to the operational reserve for the 2004-2005 biennium.

Changes

28. Table 2 contains selected areas of decrease or increase proposed in the biennial support budget for 2004-2005, compared to the proposal contained in document DP/FPA/2002/9. An explanation of the changes follows.

Country offices

29. The increase for local posts totals $5.5 million, the net result of an upward adjustment in volume of $7.8 million and cost reductions of $2.3 million. The volume increase includes $7.3 million to implement in full the country office typology: (a) $6.3 million for posts that were budgeted only for six months in document DP/FPA/2002/9[9]; and (b) $1.0 million for local post reclassifications. Furthermore, $0.5 million has been included for four new national professional posts in sub-Saharan Africa.

30. While the increase for local posts is primarily due to volume, the increase of $4.8 million for international posts in the field is attributable to cost. This is the result of higher salary scales approved by the General Assembly, effective 1 January 2003, which were not foreseen when document DP/FPA/2002/9 was prepared. There is also a cost increase of $1.2 million related to security, which is recorded under posts.

31. Another major area of increase in the field, $0.7 million, is for premises. This is the net result of an increase in volume of $1.0 million, offset in part by a $0.3 million reduction in cost. UNFPA country offices have submitted requirements for additional space in 2004-2005, to accommodate additional local and international professional posts approved under the new country office typology. The cost adjustment is the net effect of currency gains and projected cost increases under the new memorandum of understanding with UNDP on cost recovery.

32. The volume of communication usage is expected to increase in the field by $0.7 million. After considerable investment in connectivity hardware in 2002-2003, it is projected that the use of satellite technology by country offices will drive volumes of utilization higher than in the revised estimates for the biennial support budget for 2002-2003, primarily due to ERP project implementation, beginning 1 January 2004.

33. Increased security requirements in country offices arise from compliance to minimum operating security standards (MOSS). The increase of $0.5 million is due to both volume and cost adjustments.

34. In the field, the provision for systems development and contracts will decrease by 82 per cent, from $1.7 million under the revised estimates for 2002-2003 to $0.3 million for 2004-2005. It is expected that most needs in this area for 2004-2005 will be addressed in the context of ERP development.

35. Official travel will be reduced by $0.3 million, half of which is due to volume adjustments. New technologies such as teleconferencing are expected to reduce needs in this area.

36. Other major adjustments are in volume and fall under: (a) operational costs (temporary assistance and overtime, computer maintenance, miscellaneous and miscellaneous supplies); and (b) equipment

[9] In document DP/FPA/2002/9, the extensive reprofiling of posts in country offices was budgeted beginning July 2003.

(transportation equipment, and furniture and equipment). The total reduction in these areas is $1.5 million.

Headquarters

37. As with country offices, the major increase at headquarters is related to posts. Overall, a total increase of $5.2 million has been recorded for posts and related classes.

38. This increase is the result of the following adjustments: (a) new posts proposed for 2004-2005 ($1.4 million); (b) the reclassification of existing posts in the context of the new typology ($0.5 million); (c) the inclusion of resources required to implement comprehensive recruitment assessments, as part of the new human resources strategy ($0.3 million); (d) higher salary scales approved by the General Assembly for both Professional and General Service staff ($4.0 million); (e) other mandatory charges related to staff security ($0.2 million); and (f) the reduction of one Professional post and eight General Service posts ($1.3 million decrease in volume).

39. The increase for consultants of $0.4 million (from $0.9 million to $1.3 million) is attributed to adjustments in both cost and volume. The adjustment in volume of $0.2 million is due to the outsourcing of audit services previously provided by UNDP, under an agreement with UNFPA terminated at the end of 2002.

40. Reimbursement to agencies for services provided is expected to decrease by $0.2 million. This figure is the net result of decreases in volume of $0.8 million, almost entirely offset by an increase in cost of $0.6 million. Details of these adjustments are provided in paragraphs 108 and 109.

41. The provision for printing services will be reduced by a net $0.3 million, due to reductions in volume of $0.6 million and increases in cost of $0.3 million. The challenge will be to reach the same or larger audience with fewer resources. Utilization of advanced technologies can help to achieve this goal.

42. As in the field, reductions for travel at headquarters have also been planned. At headquarters, the net reduction of $0.1 million translates into a provision of $1.6 million for the 2004-2005 biennium.

43. Most other downward adjustments in volume at headquarters are due to the planned drop in usage for rental and maintenance of equipment, maintenance of computer hardware and miscellaneous supplies. Reduction in the provision for alteration of premises reflects the completion in 2004 of headquarters' renovation.

D. Summary of proposals

44. Table 3 displays the net budget estimates by appropriation line and by location. UNFPA is proposing net volume increases of $9.8 million, while cost increases are estimated at $10.0 million, including increases in inflation and other costs. Of the total net increase of $19.8 million, 50.5 per cent is attributed to increases in cost. Gross appropriation for country offices accounts for 51.1 per cent of the total proposal, while headquarters accounts for 48.9 per cent. For headquarters, programme support accounts for 17.2 per cent, while the share for management and administration of the organization is 31.7 per cent.

45. The corresponding ratios in document DP/FPA/2002/9 were 49.0 per cent for the field and 51.0 per cent for headquarters, with programme support at headquarters at 20.3 per cent, and management and administration of the organization at 30.7 per cent. This proposal therefore reflects continued efforts to increase the share of biennial support budget resources to support programme implementation in the field.

46. Table 4 summarizes regular resources posts by category, appropriation line and location. There is no change in the absolute number of posts (972) from the current biennium. However, the total number includes some minimal adjustments in post distribution. Major adjustments, namely, headquarters realignment and implementation of the country office typology, were included in the two previous budget proposals (DP/FPA/2001/10 and DP/FPA/2002/9).

47. The minimal adjustments are the net decrease of four posts at headquarters and the increase of four posts in the field. Figure B provides an overview for 2004-2005 of the proposed regular resources post distribution by appropriation line.

48. Figure C provides a breakdown of utilization of the gross $169.6 million biennial support budget proposed for 2004-2005 by category.

Table 2. Summary of main areas of increase or decrease
(Thousands of United States dollars)

		Volume a/	Cost a/	Total
I. 2002-2003 net revised appropriation estimates				**135,136.1**
II. Increases	**Headquarters**			
	New posts	1,449.9		
	Existing posts		4,029.7	
	Post reclassifications	486.8		
	Comprehensive recruitment assessments	252.0		
	Other security charges charged to posts		222.8	
	Total posts	**2,188.7**	**4,252.5**	
	Consultants	175.7	208.3	
	Reimbursement to agencies		608.2	
	Official travel		382.5	
	Printing and promotional materials		297.4	
	Subtotal headquarters	**2,364.4**	**5,749.0**	
	Country offices			
	Local posts	6,289.5		
	Post reclassifications	1,047.1		
	New local posts	498.0		
	Total local posts	**7,834.6**		
	International posts		4,816.1	
	Other security charges charged to posts		1,177.2	
	Premises	1,036.7		
	Communication usage	659.0		
	Security	253.5	253.5	
	Other volume adjustments	1,111.6		
	Subtotal country offices	**10,895.3**	**6,246.8**	
	Subtotal increases	**13,259.7**	**11,995.8**	
II. Decreases	**Headquarters**			
	Abolished posts	-1,288.5		
	Reimbursement to agencies	-765.2		
	Printing and promotional materials	-599.9		
	Official travel	-484.2		
	Other volume adjustments	-2,713.9		
	Subtotal headquarters	**-5,851.8**	**0.0**	
	Country offices			
	Local posts		-2,278.3	
	Systems development and contracts	-1,425.6		
	Official travel	-165.8		
	Premises		-310.5	
	Communication usage		-39.7	
	Other volume adjustments	-1,499.0		
	Subtotal country offices	**-3,090.4**	**-2,628.5**	
	Subtotal decreases	**-8,942.2**	**-2,628.5**	
III. Net inflation/step and other cost adjustments	Headquarters		1,553.0	
	Country offices		-873.3	
IV. Net change in income to the budget		5,470.0		
V. 2004-2005 net revised appropriation estimates		**9,787.5**	**10,047.0**	**154,980.6**

a/ See annex II, Methodology, for the definition of volume and cost.

Table 3. Budget estimates by appropriation line and by location

(Thousands of United States dollars)

Gross budget estimates	2002-2003 revised Proposed estimates	% of Total	Changes Volume Inc./(Dec.)	%	Cost Inc./(Dec.)	%	2004-2005 Proposed estimates	% of Total
By appropriation line								
Programme support								
Country offices	76,027.2	49.0%	7,804.9	10.3%	2,745.0	3.6%	86,577.1	51.1%
Headquarters	31,571.8	20.3%	(5,015.7)	-15.9%	2,624.7	8.3%	29,180.9	17.2%
Mgmt. and admin. of org.	47,597.0	30.7%	1,528.3	3.2%	4,677.3	9.8%	53,802.6	31.7%
TOTAL	155,196.1	100.0%	4,317.4	2.8%	10,047.1	6.5%	169,560.6	100.0%
By location								
Country offices	76,027.2	49.0%	7,804.9	10.3%	2,745.0	3.6%	86,577.1	51.1%
Headquarters	79,168.8	51.0%	(3,487.4)	-4.4%	7,302.1	9.2%	82,983.5	48.9%
TOTAL	155,196.1	100.0%	4,317.4	2.8%	10,047.1	6.5%	169,560.6	100.0%
Estimated income	(20,070.0)		5,470.0	-27.3%			(14,600.0)	
Net budget estimates	135,126.1		9,787.4	7.2%	10,047.1	7.4%	154,960.6	

Table 4. Regular resources posts by category, appropriation line and location

Posts	2002-2003 Established posts IP	NP	GS/ Oth.	Total	% of Total	Changes Increase/Decrease (net) IP	NP	GS/ Oth.	Total	2004-2005 Proposed posts IP	NP	GS/ Oth.	Total	% of Total
By appropriation line														
Programme support														
Country offices	99	221	424	744	76.5%	0	4	0	4	99	225	424	748	77.0%
Headquarters	46	0	36	82	8.4%	0	0	0	0	46	0	36	82	8.4%
Mgmt. and admin. of org.	65	0	81	146	15.0%	4	0	(8)	(4)	69	0	73	142	14.6%
TOTAL	**210**	**221**	**541**	**972**	**100.0%**	**4**	**4**	**(8)**	**0**	**214**	**225**	**533**	**972**	**100.0%**
	21.6%	22.7%	55.7%	100.0%						22.0%	23.1%	54.8%	100.0%	
By location														
Country offices	99	221	424	744	76.5%	0	4	0	4	99	225	424	748	77.0%
	47.1%	100.0%	78.4%	76.5%						46.3%	100.0%	79.5%	77.0%	
Headquarters	111	0	117	228	23.5%	4	0	(8)	(4)	115	0	109	224	23.0%
	52.9%	0.0%	21.6%	23.5%						53.7%	0.0%	20.5%	23.0%	
TOTAL	**210**	**221**	**541**	**972**	**100.0%**	**4**	**4**	**(8)**	**0**	**214**	**225**	**533**	**972**	**100.0%**
	21.6%	22.7%	55.7%	100.0%						22.0%	23.1%	54.8%	100.0%	

Figure B: Regular resources posts by appropriation line
2002-2003 Revised Biennial Support Budget
vs. 2004-2005 Biennial Support Budget

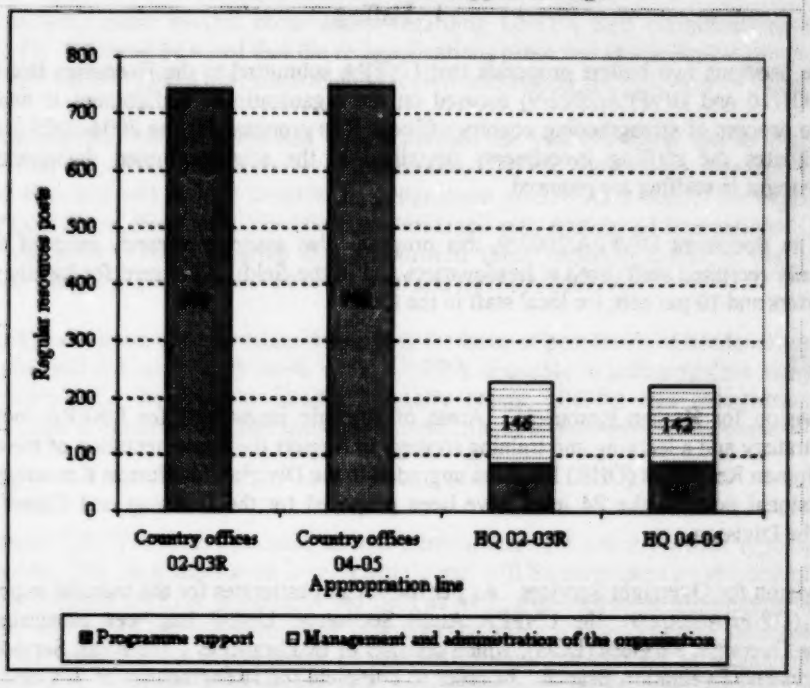
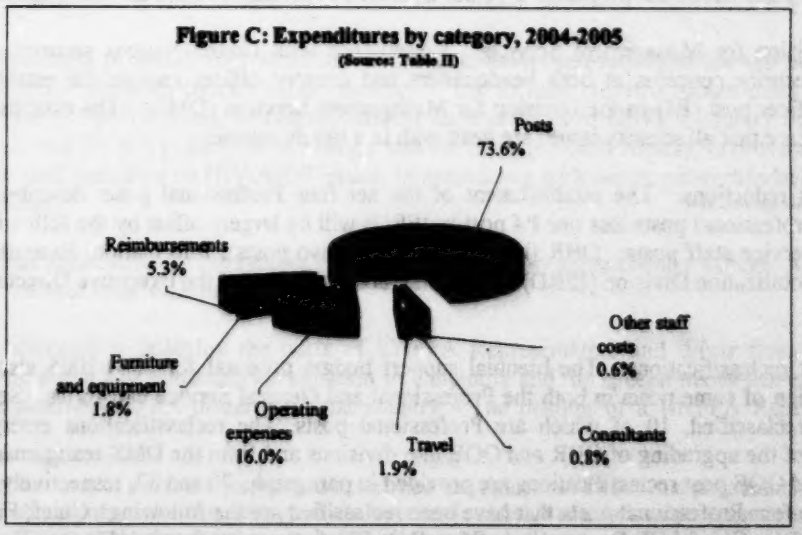


Figure C: Expenditures by category, 2004-2005
(Source: Table II)



II. PROPOSALS FOR THE 2004-2005 BIENNIAL SUPPORT BUDGET

A. General

1. Staffing

49. The previous two budget proposals that UNFPA submitted to the Executive Board (documents DP/FPA/2001/10 and DP/FPA/2002/9) focused on the organizational realignment at headquarters and initiated the process of strengthening country offices. The proposal for the 2004-2005 biennium is one that consolidates the staffing investments described in the aforementioned documents, since only marginal changes in staffing are required.

50. As in document DP/FPA/2002/9, this proposal also assumes vacancy rates of 6 per cent for internationally recruited staff (both at headquarters and in the field), 2 per cent for locally recruited staff at headquarters and 10 per cent for local staff in the field.

Headquarters

51. Division for Human Resources. Areas of strategic investment for UNFPA include a human resources strategy and a learning and training strategy to support the implementation of the transition. The Office of Human Resources (OHR) has been upgraded to the Division for Human Resources (DHR). Two new professional posts at the P4 level have been proposed for the Learning and Career Development Branch of the Division.

52. Division for Oversight Services. As per the revised estimates for the biennial support budget for 2002-2003 (DP/FPA/2002/9), the UNFPA Audit Section at UNDP has been integrated into a new Division for Oversight Services (DOS), which consists of two branches – the Audit Services Branch and the Oversight and Evaluation Branch. In order to complete the strengthening of this new division, two professional posts have been proposed: a Senior Evaluation Adviser (P5) and an Audit Specialist (P4).

53. Division for Management Services. Compliance with United Nations security standards and increased security concerns at both headquarters and country offices require the establishment of a Security Officer post (P4) in the Division for Management Services (DMS). The establishment of this post will ensure that all security issues are dealt with in a timely manner.

54. Post reductions. The establishment of the net four Professional posts described above (five additional Professional posts less one P4 post in IERD) will be largely offset by the following reductions in general service staff posts: OHR (two posts); DMS (two posts); Information, Executive Board and Resource Mobilization Division (IERD) (two posts); and the Office of the Executive Director (OED) (two posts).

55. Post reclassifications. The biennial support budget proposal for 2004-2005 also includes the reclassification of some posts in both the Professional and General Service categories. Seventeen posts have been reclassified, 10 of which are Professional posts. The reclassifications emerged from the completion of the upgrading of OHR and OOE into divisions and from the DMS realignment. Details on the OHR and OOE post reclassifications are provided in paragraphs 70 and 82, respectively. With regard to DMS, the four Professional posts that have been reclassified are the following: Chief, Finance Branch (from P5 to D1); Chief, MIS Branch (from P5 to D1); Chief, Accounts Section, Finance Branch (from P4 to P5); and Chief, Budget Section, Finance Branch (from P4 to P5). These reclassifications resulted from

increased responsibilities associated with the posts. The post of Chief, Knowledge Sharing Branch, IERD, has also been reclassified from P5 to D1, reflecting the importance of knowledge sharing as a UNFPA strategic priority.

56. The ACABQ made several observations regarding UNFPA post classifications in document DP/FPA/2002/10. It should be noted that the reclassifications presented in this budget proposal represent the completion of the first global post classification review undertaken at UNFPA in 14 years.

57. At headquarters, several posts had been classified for years at lower grades than posts with identical functions in partner organizations. Furthermore, UNFPA undertook a thorough review of its organizational structure and how it matched its programme goals. As a result, the organization was realigned and post descriptions were classified in accordance with established International Civil Service Commission standards. The Executive Board approved these reclassifications in the previous two biennial support budget documents (DP/FPA/2001/10 and DP/FPA/2002/9).

58. Related to the issue of post reclassifications is the issue of post levels at headquarters. Due to its limited staff size and the complexity of its work, UNFPA is unable to accommodate many entry-level Professional posts. To increase the number of entry points, UNFPA has strengthened its Junior Professional Officer programme and has launched a more structured internship programme.

Country offices

59. Document DP/FPA/2002/9 focused on the introduction of a country office typology based on programme needs. The implementation is on schedule and will be completed by the end of 2003. The typology will strengthen UNFPA presence in the field as well as its support to programme operations by establishing an improved field structure. The new country office staffing patterns establish a different mix of skills that reinforce the involvement of national professional officers in substantive areas and strengthen managerial capacity by establishing an operations manager function, primarily in countries where UNFPA assistance is most needed.

60. In this budget proposal, four additional local posts have been requested for the field, although they are not directly related to country office typology. They include: (a) two auditor posts (one in Côte d'Ivoire and one in South Africa), to support internal audit services to UNFPA country offices in sub-Saharan Africa; and (b) two posts (one in Senegal and the other in South Africa), to provide counselling and support to staff members on HIV/AIDS issues, in accordance with recent recommendations from the Secretary-General.

61. Minimal adjustments to the typology are proposed for only three country offices: Algeria, Egypt and Pakistan[10], due to local working conditions.

62. It is proposed to redeploy the posts of UNFPA Representative and driver from Paraguay to Colombia. The social and humanitarian situation in Colombia and the special needs that derive from it warrant an expanded UNFPA presence in the country. The posting of a UNFPA Representative to

[10] Algeria: Establishment of a national secretary and clerk post and reduction of a national programme assistant post; Egypt: Establishment of a national secretary and clerk post and reduction of a national programme assistant post; Pakistan: Temporary establishment of one national secretary and clerk post, one driver post, one messenger post and the reduction of a national programme officer post.

Colombia will improve UNFPA participation in interagency cooperation frameworks, strengthen resource mobilization and ensure inclusion of the ICPD agenda in the general framework of humanitarian assistance. It will also support the country in improving several of its demographic and reproductive health indicators.

63. Post reclassifications. In the field, the reclassification of 158 local field posts presented in this proposal is an integral part of the new country office typology, a strategic investment for UNFPA.

2. Human resources strategy, the Division for Human Resources, and learning and career development

64. Human resources strategy. In July 2002, UNFPA began the implementation of a new human resources strategy. The basis of this strategy is a competency-based approach to human resources management and planning, accompanied by improvements in recruitment, staffing, career and performance management, and staff development and learning. The ultimate aim is to provide UNFPA with the human resources it needs to achieve its strategic vision and goals.

65. The competency framework completed in early 2003 is designed to support the achievement of the strategic direction by transforming UNFPA into a results-oriented organization, emphasizing programme leadership and partnership, advocacy, management excellence, knowledge sharing and learning.

66. The competency framework defines organizational expectations and sets standards for behaviour and performance at every level – in the field and at headquarters. The competencies have been included in post descriptions and, together with knowledge and experience, form the basis for selection. UNFPA is now using competency assessment centres for senior positions, in order to ensure that established standards are met.

67. In the field, similar exercises are being conducted to determine whether the existing staff meets the typology requirements. A number of tools have been developed to support UNFPA Representatives in undertaking competency-based recruitment and job matching, and to offer separation programmes to staff members who do not wish to acquire the required competencies.

68. UNFPA is introducing a performance appraisal and development (PAD) system in 2003, a key instrument in enabling the organization to achieve its long-term mission and goals. The PAD system will hold managers and staff accountable for results and for meeting the performance standards defined in the competency framework. It emphasizes competency development and learning by measuring the achievement of developmental outputs. Major efforts will also be devoted to a career development system and learning programmes to strengthen staff skills and competencies. The new human resources module of the ERP will facilitate the implementation of the PAD.

69. Division for Human Resources. A management consultant was appointed at the end of 2002 to advise the Executive Director on the capacity and management of OHR and to recommend a structure that would ensure successful implementation of the human resources strategy. The consultant recommended that OHR strengthen strategic human resources areas, especially performance management, career development and staffing, and that current processing functions be reduced through outsourcing.

70. It was also recommended that human resources acquire greater visibility and status in the organization. Post profiles were reviewed and strengthened. The human resources strategy should be closely linked to the organization's overall vision and goals, and the vision should be translated into

appropriate human resources strategies and policies. It is important, therefore, that DHR be headed by a Director (D2) responsible for advocating the transformation of the UNFPA workforce and managing the change process that accompanies it. A Deputy, who would assist the Director, will guide and manage three branches: Learning and Career Development; Human Resources Policy and Planning; and Human Resources Services, each to be headed by a P5. To achieve this, four professional positions will be upgraded: the Director post from D1 to D2; the Deputy post from P5 to D1; and two Branch Chief posts to P5.

71. Moreover, to implement the strategy effectively, additional capacity must be created in the areas of competency and performance management, career development and planning, training and learning, and human resources planning. As indicated previously, two additional posts at the P4 level have been proposed to manage performance and career development functions and to strengthen training and learning. The outsourcing of processing functions will lead to a reduction of two senior General Service posts.

72. Learning and career development. The total proposed training budget for the 2004-2005 biennium amounts to $2.4 million. Of this amount, 75 per cent, or $1.8 million, will be used to train field staff while the remainder, $0.6 million, will be used to train headquarters staff. The proposed training budget reflects the importance UNFPA places on learning and training, and the commitment of the Fund to fostering a culture of continuous learning. UNFPA is also committed to ensuring that staff learning and development are at the core of human resources management, as outlined in the UNFPA learning and training strategy.

73. The budget provision for 2004-2005 will strengthen the capacity of staff to implement the organization's strategic direction, become more effective partners in United Nations programming processes, and enhance managerial and leadership skills. The training budget will support staff learning and development in the context of the competency framework and the new career management systems, including the PAD system. The effective implementation of these systems requires UNFPA to respond to the immediate learning needs of staff, support their progression in various career streams, and improve supervisors' managerial and coaching skills. UNFPA will focus on the needs of field staff and give priority to the learning and training needs of UNFPA Representatives.

74. To accomplish these goals, UNFPA will develop core learning programmes, i.e., a progressive series of learning activities covering a broad cluster of competencies, whose completion will be required for selected posts. UNFPA will also strengthen induction and orientation programmes for new and reassigned staff, especially for Representatives and Deputy Representatives, with more systematic briefings, coaching and mentoring.

75. To ensure effective and continuous learning at the work place, UNFPA will emphasize the development of coaching as a managerial skill and broaden the availability of self-learning materials on technical and management skills, while also promoting peer assistance, teamwork and knowledge sharing.

76. Evaluation will be strengthened, emphasizing its importance in learning and training programmes, tools and activities. A learning advisory group will assist senior management and DHR in overseeing staff learning and training and in revising and developing related policies and procedures.

77. Early separation packages. Document DP/FPA/2002/9 included a provision from programme funds for early separation packages estimated at $2.0 million, in addition to $2.0 million from the biennial support budget. The current proposal includes only the biennial support budget provision, since the

implementation of the country office typology will be completed by the end of 2003. Additional resources will therefore not be required.

3. Division for Oversight Services

78. The major changes to the proposed budget for the Division for Oversight Services (DOS) for 2004-2005 are a result of the evolving relationship between UNFPA and UNDP in the area of internal audit and the need to ensure sufficient staff in the Oversight and Evaluation Branch so that it can function effectively.

79. The increases in operational costs for DOS, namely, travel and consultants, result from charging the costs related to the internal audits of UNFPA country offices to the biennial support budget instead of to the UNDP subvention, which was terminated in 2002. The increases are also a result of UNFPA managing directly the contracts for audits in the Asia and the Pacific and Arab States regions, previously managed by the UNDP Regional Audit Services Centre in Malaysia.

80. As indicated previously, two national auditor posts have been requested for the francophone and anglophone UNDP internal audit teams in sub-Saharan Africa to perform audits of UNFPA country offices. These posts will replace two assignment-of-limited-duration (ALD) posts funded previously through UNDP for the same purpose. UNDP has decided to discontinue the ALD modality by funding core posts. UNFPA is following suit for the sake of equity.

81. It is also proposed to discontinue the ALD posts in the regional audit service centres in Latin America and in Asia and the Pacific. Instead, a new P4 Audit Specialist post is proposed for the Audit Services Branch at headquarters to perform audits in the Latin America and the Caribbean region; to provide quality assurance of the contracted audits in Asia and the Pacific and in the Arab States regions; and to support project audits.

82. With the establishment of DOS, the post of Chief, OOE, was reclassified to the Director (D2) level. It is proposed that the previous post of Deputy Chief, OOE, be reclassified to D1 to provide leadership to the Oversight and Evaluation Branch, as well as to serve as Deputy to the Director, DOS. A Senior Evaluation Adviser post at the P5 level is also proposed for the Oversight and Evaluation Branch. The addition of this post will ensure that there is sufficient staff to discharge the Branch's oversight role and to develop capacity in monitoring and evaluation in the context of results-based management.

4. Information and communications technology (ICT) strategy

83. The recommendations of the field needs assessment study and the transition process called for a culture of knowledge sharing in UNFPA by providing appropriate tools to country offices, UNFPA Country Technical Services Teams and headquarters. These tools will: (a) enable information to be recorded as it is generated, making it available in a timely manner to users, no matter where they are located; (b) enhance the ability of staff to monitor programme delivery on a timely basis; (c) enable staff to generate required reports and analyses;(d) eliminate or reduce the duplication of data entry; and (e) enhance the analytical capabilities of staff. In order to achieve these objectives, UNFPA will focus on three main areas of technology enhancement: systems, connectivity and training.

Systems

84. Enterprise Resource Planning (ERP) project. As indicated in document DP/FPA/2002/9, UNFPA evaluated available alternatives and decided in 2002 to join UNDP and the United Nations Office for Project Services (UNOPS) in implementing an ERP system. In accordance with this decision, UNFPA cancelled its plans to develop its own resource management system and will discontinue using a number of legacy systems once ERP becomes fully functional[11]. This joint approach is regarded as the most cost effective for ERP implementation.

85. The major advantages in implementing the ERP include: (a) adapting UNFPA processes to best practices inherent in the ERP; (b) the availability of computer applications in all locations with the same configuration; (c) eliminating the need for a separate system set-up for each location; (d) a centralized data repository; (e) decentralized data management and access to information; (f) flexible reporting and powerful analytical tools; (g) the availability of human resources management tools for country offices; (h) a user-friendly portal for all staff; and (i) the potential to invite partners to use the same system.

86. It is envisaged that ERP will be implemented in waves. The first wave consists of 17 modules, encompassing various general ledger accounts, accounts payable, accounts receivable, treasury-related functions, purchasing, asset management, grants, contracts, projects, basic human resources management functions, global payroll (not including international staff payroll), basic data warehouse application and portals. The number and scope of subsequent waves have not yet been determined. However, it is anticipated that international payroll, travel, budget formulation and analysis, and balanced score card (a methodology to assess programme delivery), will be implemented in the subsequent wave. The first wave will be completed in 2003 and released on 1 January 2004.

87. In the revised biennial support budget for 2002-2003, UNFPA had anticipated that the initial cost of ERP development for UNFPA would total $10.0 million. A year later, with more information available on the scope of the functions that would be included, the methodology of operation and support, the total development cost of ERP for UNFPA is estimated at approximately $13.8 million, as follows:

ERP Project, 2002-2005 (Millions of United States dollars)

Item	Estimated cost
Licenses	1.6
Prototype development	1.0
Integration	6.2
Rollout and training	2.2
Staff costs	2.0
Infrastructure development and configuration	0.7
Total [a]	13.8

[a] Figures may not add up to the total due to rounding.

88. Resources totalling $10.0 million were set aside from programme resources in document DP/FPA/2002/9. An additional $3.8 million has been earmarked in this budget proposal, as indicated in table 1. The running cost of ERP, which includes outsourced operations as well as annual license and maintenance support costs, will amount to $1.1 million. These costs are reflected in the current budget proposal under "reimbursement to other agencies".

[11] IMIS, PRMS and WinUNFOS.

89. Current systems. A provision of $0.5 million has been included in the biennial support budget proposal for 2004-2005 to maintain current systems Fund-wide. UNFPA anticipates that ERP implementation will replace all existing systems used in headquarters and in country offices. However, the full range of ERP functions will not be available until well into 2006. Modules such as travel, international payroll and budget formulation will require UNFPA and UNDP to continue using the integrated management information system (IMIS) until all functions migrate from IMIS to ERP.

90. UNFPA will discontinue the use of the programme resource management system (PRMS) in headquarters and the windows-based UNFPA integrated field office system (WinUNIFOS) in most country offices as of 1 January 2004, when ERP is expected to be functional. It may be necessary to support WinUNIFOS in approximately 10 per cent of country offices, i.e., those that are unable to migrate to ERP at this time. In addition, it may be necessary to use the windows-based PRMS (WinPRMS) to generate time-series reports.

91. Connectivity. Connectivity is a basic requisite to establishing a network that will enable a functioning, web-based ERP in all country offices. UNFPA is making an effort to leverage existing infrastructure for connectivity, mainly through the Internet. However, the Internet is not universal and is not always capable of meeting UNFPA requirements. Therefore, UNFPA has partnered with other United Nations agencies to set the bandwidth required for the efficient implementation of operating systems.

92. In the 2002-2003 biennium, UNFPA made noticeable progress in building connectivity infrastructure in partnership with other United Nations agencies. A provision of $2.4 million was established for communications infrastructure in 2002-2003. Further investments of $2.3 million for the 2004-2005 biennium are required to ensure that the requisite bandwidth will be available.

93. The 2004-2005 biennium will also witness a drastic increase in the volume of telecommunications, including voice, video and data communications. Charges for voice and video communications are expected to decrease. However, the cost of data communications is expected to increase considerably due to increased usage. Data communications will cater to the use of ERP, Intranet-based applications, the Internet and knowledge sharing. Therefore, the provision of $2.2 million included in the revised estimates for the 2002-2003 biennial support budget will increase to $2.7 million for 2004-2005, for both headquarters and country offices.

94. Training. Staff training related to ERP is included in the ERP provision as indicated in the chart in paragraph 87. For other electronic data processing training needs not related to ERP, a provision of $0.5 million has been included in the 2004-2005 budget proposal – a $0.1 million increase vis-à-vis 2002-2003.

Table 5. Estimated distribution of information technology requirements, 2004-2005 a/

(Thousands of United States dollars)

		Staff Cost b/	Consultants	Systems development	Maintenance of PC hardware	Purchase of PC equipment	Communications infrastructure	Total
Biennial support budget								
2002-2003 revised		2,943.7	320.0	1,944.6	1,304.4	1,362.1	2,351.9	10,226.7
2004-2005		3,281.6	500.0	453.9	725.4	1,362.6	2,328.1	8,651.6
Variation		11.5%	56.3%	-76.7%	-44.4%	0.0%	-1.0%	-15.4%
ERP project	2002-2003							10,000.0
	2004-2005							3,750.0

a/ Headquarters and country offices
b/ Includes EDP training.

5. Information and communication strategy and knowledge sharing

95. The UNFPA information and communication strategy is designed to support national-level advocacy activities, in both programme and donor countries, to achieve ICPD goals. UNFPA employs the Internet, low-cost videos, traditional media, personal contacts and Goodwill Ambassadors. The Fund places great importance on building partnerships with non-governmental organizations and parliamentarians. The purpose of the information and communication strategy, as part of its role in advocacy, is to ensure that the principles, goals and objectives of ICPD are understood and accepted; to secure commitment and funding to meet these objectives; and to build support for the programme and resource-development activities of the Fund. The publications programme and the UNFPA Internet presence are key elements of this strategy[12].

96. In continuing the established strategy, UNFPA proposes a budget at headquarters for printed publications totalling $1.0 million over the next biennium. With the 2004-2005 provision reduced by $0.3 million compared to the previous biennium, the challenge will be to meet growing demands for UNFPA publications with a lower appropriation of funds. UNFPA will place more emphasis on Internet-based applications, encourage synergies among the media and limit the use of print media to those audiences that do not have ready access to the Internet.

97. In accordance with decision 91/36 concerning the rationale for funding publications as part of the biennial support budget, IERD produces a brochure on UNFPA; an annual report; *Dispatches*, a bimonthly newsletter on UNFPA-related policy and programme developments; the *Population Issues Briefing Kit*, a primer released each year in conjunction with World Population Day; press kits on various issues; and reprints of publications. In addition, IERD will continue to produce a series of advocacy booklets on various topics, such as on preventing HIV infection, which are related to the information mandate of the Fund.

98. Knowledge sharing. Knowledge sharing is one of the strategic priorities of the UNFPA transition and has received a much clearer operational definition as a result of it. With increasing demands for the organization to position the ICPD Programme of Action at the centre of the development policy dialogue, it is essential for UNPFA to transfer its operational and policy know-how to partners at the country level and to the international development community. This requires a more open approach to learning and sharing experiences. Connecting staff across the organization is essential for UNFPA to transfer its knowledge to its clients.

99. The performance management system recognizes knowledge sharing as a core competency for all staff. Major areas and work processes that can provide channels for knowledge sharing need to be defined. Knowledge is captured by developing knowledge assets, an approach that has attracted a great deal of interest from other development organizations.

100. Systems support is also essential. UNFPA is strengthening its information and management systems through ERP and on-line document management, collaboration and knowledge asset development tools. As part of the knowledge sharing initiative, UNFPA now manages the population and reproductive health portal within the Development Gateway, which has expanded to 1,700 partner organizations. In the 2004-2005 biennium, UNFPA will develop knowledge sharing strategies at the country level and carry out related training.

[12] Details of these activities may be found in documents DP/FPA/1997/8 and DP/FPA/2001/6.

6. Security costs

101. The issue of staff security is of increasing importance, as reflected in recent General Assembly resolutions. Compliance with MOSS regarding residential security and communications is mandatory. Appropriations for 2004-2005 have therefore been increased by $0.5 million, or 45 per cent, to $1.6 million. As indicated previously, UNFPA has made an investment in this area by establishing a P4 Security Officer post in DMS. Furthermore, $1.4 million in increased security costs have been set aside under appropriation lines related to posts, both at headquarters and in the field.

7. Premises

102. Rental costs of premises represent an ever-increasing burden for the organization. At headquarters, the increase will be stabilized in 2004-2005 as UNFPA will endeavour to recover an appropriate share of costs for each project staff member. This recovery, applied to an estimated 70 project staff members per year, is expected to abate premises costs by $2.1 million – from $9.8 million to $7.7 million, approximately the same amount set aside in document DP/FPA/2002/9. At headquarters, a further provision of $0.2 million is required in 2004-2005 to complete the renovation of premises initiated in 2001.

103. In the field, the projected increase is $0.7 million or 12.6 per cent. The increase is due to additional space required for new local and international professional posts established through the country office typology and reimbursement to UNDP for services provided.

8. Inter-agency frameworks

104. Following the adoption of General Assembly resolution 56/201 in December 2001, and the launch of the second wave of reform by the Secretary-General in September 2002, the Executive Committee of the United Nations Development Group (UNDG) embarked on an extensive simplification and harmonization effort.

105. In early 2002, the UNDG established a task force to seek ways to ensure full harmonization by 2004 in the five areas cited in resolution 56/201[13]. As a result of the work undertaken so far by various UNDG working groups and in consultation with a number of country offices, the UNDG Executive Committee has developed tools aimed at improving synergy among agencies in programme preparation and approval, implementation, monitoring and evaluation.

106. Some of the recommendations are already being implemented. For instance, in the five CCA/UNDAF rollout countries[14], several harmonized programming tools were introduced earlier this year, such as the UNDAF results matrix, the joint strategy meeting, the country programme action plan and the annual project plan. Other tools, such as revised guidelines for joint programming, a financial capacity assessment tool and harmonized resource transfer modalities, will be introduced later this year.

107. As an active member of the UNDG Executive Committee, UNFPA expects to incur financial charges related to its involvement in these processes. These include sharing costs among agencies for

[13] These five areas are: (a) decentralization and delegation of authority; (b) financial regulations; (c) programme implementation, particularly monitoring and reporting; (d) common shared services at country offices; and (e) recruitment, training and remuneration of national project personnel.

[14] Benin, Ecuador, Kenya, Niger and Pakistan

recruiting consultants, travel, renting meeting facilities and developing common tools, as well as costs related to the participation of staff members in various inter-agency activities. The full involvement of UNFPA in these initiatives requires an increase of $0.1 million in resources (from $1.0 million to $1.1 million) vis-à-vis those set aside in the 2002-2003 biennial support budget.

9. Reimbursement to other United Nations agencies

108. The estimates for the 2004-2005 biennium have been adjusted vis-à-vis 2002-2003 due to changes in headquarters' cost-recovery agreements. The total decrease is $0.2 million. The subvention to UNDP for audit services has decreased, but a new agreement has been established with UNDP to cover ERP running costs. Costs for services provided by the United Nations and UNDP are increasing. Furthermore, UNFPA will sign new agreements with UNOPS to outsource recruitment and administration of certain posts; with the United Nations Office at Geneva to cover charges related to staff in the UNFPA Office in Geneva; and with other United Nations bodies.

109. The adjustments between the 2002-2003 revised biennial support budget and the 2004-2005 budget proposal are summarized in the table below:

Summary of changes for headquarters agency reimbursement a/
(Millions of United States dollars)

Agency	BSB 2002-2003 Revised	BSB 2004-2005 Proposed	Increase
UN	2.3	2.6	0.3
UNDP	3.5	3.9	0.4
ERP	0.0	1.1	1.1
Audit	2.2	0.0	(2.2)
Other	0.0	0.2	0.2
Total	**8.0**	**7.8**	**(0.2)**

a/ This table covers only headquarters agreements. In country offices, the development of a memorandum of understanding was in progress at the time this document was completed. Its impact is an expected increase of $0.3 million for the 2004-2005 biennium, recorded under country office operating costs.

B. Programme support

110. Programme support is the largest component of the UNFPA biennial support budget. It comprises two appropriation lines – programme support at headquarters and programme support at country offices – which together account for 68.3 per cent of the total proposed budget (gross).

111. Table V shows the estimated regional distribution of programme and programme-support funds for 2004-2005. Consistent with Executive Board decision 2000/19 on the allocation of UNFPA resources, the table shows Africa as the region receiving the largest share of regular funds, accounting for 30.4 per cent of total regular resources or $177.8 million. Asia and the Pacific follows at 25.6 per cent or $149.6 million; the Arab States and Europe at 12.2 per cent or $71.5 million; and Latin America and the Caribbean at 9.4 per cent or $54.8 million. Table V also indicates that similar shares by region are planned for total resources.

1. Country offices

112. The proposed appropriation for country offices, in the amount of $86.6 million (gross), shows an increase of $10.5 million, or 13.9 per cent, compared to $76.0 million in the 2002-2003 revised biennial support budget. As shown in table I, this increase is mainly in volume.

113. The share of total proposed appropriations for country offices will increase in 2004-2005 to 51.1 per cent (from 49.0 per cent in the 2002-2003 revised biennial support budget) and as much as 74.8 per cent (from 70.6 per cent) of the total programme support of $115.8 million.

114. Table I provides a breakdown of the estimates by region. All regions show positive volume adjustments. Decreases in cost are estimated only for Africa. These adjustments are attributed to the effect of local inflation combined with exchange rates between local currencies and the United States dollar. A weaker United States dollar has resulted in fewer gains.

115. In table II, the revised estimates are broken down by object of expenditure and appropriation line. An explanation of the most significant variations follows.

116. Posts. The single largest component of the budget proposal for 2004-2005 is for country office staff. The proposed appropriation of $67.4 million represents 77.8 per cent of the total proposed gross appropriation for country offices. The large volume adjustment of $8.2 million is the result of: (a) budgeting country office typology, including eight international Professional posts (UNFPA Representatives and Deputy Representatives) reflected in document DP/FPA/2002/9 for only the second semester of 2003; and (b) four new national programme officer posts for audits and staff counselling in HIV/AIDS. Cost increases related to staff are estimated at $3.8 million. This reflects the net effect of the General Assembly approval of increased salary scales for international Professional staff, effective 1 January 2003; increased security costs; and cost reductions for local staff due to currency gains.

117. Other staff costs and furniture and equipment. The per cent volume adjustments recorded (-28.8 per cent and -20.4 per cent, respectively) reveal cost containment efforts in these two areas. In particular, under furniture and equipment, a reduction in the appropriation for vehicles of $0.3 million has been estimated. Under the 2002-2003 revised budget, a peak $1.3 million was appropriated for replacing vehicles.

118. Travel. The estimated provision for official country office travel of $1.6 million is 16.9 per cent lower than the estimate provided in document DP/FPA/2002/9. This decrease is the result of continued efforts to further reduce administrative travel costs by shortening and decreasing the number of missions, by combining visits to multiple countries on single trips and by taking advantage of new technology, including video conferences and the ERP system.

119. Operating expenses. The net increase in volume of $0.6 million is largely attributable to increases for premises. Furthermore, additional investments are necessary to ensure full connectivity between headquarters and country offices.

2. Headquarters

120. Programme support at headquarters includes the costs of the four geographical divisions, the Technical Support Division, the Strategic Planning Office and the Humanitarian Response Unit. The overall appropriation reduction in this area of -7.6 per cent vis-à-vis the 2002-2003 revised biennial

support budget is due to appropriation criteria. Corporate charges, such as rent, are apportioned (based on the number of posts) among all organizational units at headquarters under both programme support and management and administration of the organization[15]. None of the proposed increases in posts for the 2004-2005 biennium are in programme support, headquarters. All Professional posts and most General Service posts abolished at headquarters in the revised budget (DP/FPA/2002/9) fell under programme support. These reductions are reflected here for a full biennium. In addition, no provision has been established in 2004-2005 for the Strategic Planning and Coordination Division, which has been abolished.

121. Posts. The net reduction in the appropriation for staff-related costs is $0.4 million, the result of a volume reduction of $2.1 million, partly offset by a cost increase of $1.7 million.

122. Other staff costs. Temporary assistance and overtime represent the area of highest relative volume decrease under programme support, headquarters, with a 95.5 per cent reduction.

123. Consultants. The volume reduction in this area is projected at 74.2 per cent.

124. Travel. The projected volume reduction is 49.1 per cent or $0.1 million.

125. Operating expenses. Efforts have been made to contain variable costs, due to the increasing trend for fixed costs, particularly posts. Overall estimates for operating expenses have been reduced under programme support by $1.0 million compared to 2002-2003. The planned recovery for rental of premises' charges from project staff contributes to this reduction.

126. Furniture and equipment. The 2004-2005 biennium will include only the completion of the extensive renovation that has taken place between 2001 and 2003. The estimated reduction in volume from headquarters programme support is $0.1 million.

127. Reimbursements. This appropriation line includes reimbursements to United Nations agencies for services rendered on behalf of UNFPA as well as resources for inter-agency activities. As specified earlier, these costs are apportioned among all organizational units at headquarters. Across headquarters, no increase is expected in these two combined areas, with overall decreases in volume being offset by increases in cost. Under programme support, headquarters, the overall apportioned reduction is $0.5 million.

C. Management and administration of the organization

128. The management and administration appropriation line comprises DHR, DMS, DOS, IERD and OED. A total increase of $6.2 million is the result of an increase in volume of $1.5 million and a cost adjustment of $4.7 million.

129. Table II provides the objects of expenditure by appropriation line. As cost increases are recorded across all units, the focus is again on major volume adjustments.

130. Posts. Total staff costs are projected at $36.1 million, 18.3 per cent or $5.6 million more than reflected in document DP/FPA/2002/9. In addition to the increase in salary scales, this budget estimate incorporates the addition in 2004-2005 of five new Professional posts (two each for DHR and DOS and one for DMS), and the reduction of eight General Service posts and one Professional post. The increase

[15] This is consistent with budget harmonization requirements.

in volume also reflects the full effect of the new posts for management and administration (seven professionals and three general service posts) that were budgeted for only one year in document DP/FPA/2002/9.

131. Consultants. An increase of $0.5 million, or 65.8 per cent, is primarily due to the outsourcing of audit services to private firms.

132. Travel. Cost containment efforts in this area have resulted in stabilization, despite increases in cost.

133. Operating expenses. The decrease in volume under management and administration is $1.3 million, or 14.5 per cent.

134. Reimbursements. As indicated earlier, across headquarters, the expected increase for reimbursement is zero. Due to apportionment, a total increase of 8.4 per cent has been recorded for management and administration.

III. DRAFT APPROPRIATIONS DECISION

135. **In light of the above, the Executive Director recommends that the Executive Board adopt the following decision:**

The Executive Board

Having considered the 2004-2005 biennial support budget estimates of the United Nations Population Fund, as contained in document DP/FPA/2003/11,

(a) Approves gross appropriations in the amount of $169.6 million for the purposes indicated below and resolves that the income estimates of $14.6 million shall be used to offset the gross appropriations, resulting in estimated net appropriations of $155.0 million;

2004-2005 Biennial Support Budget (Thousands of United States dollars)	
Programme support	
Country offices	86,577.1
Headquarters	29,180.9
Subtotal	115,758.0
Management and administration of the organization	53,802.6
Total gross appropriations	169,560.6
Less: Estimated income to the budget	(14,600.0)
Estimated net appropriations	154,960.6

(b) Authorizes the Executive Director to redeploy resources between appropriation lines up to a maximum of 5 per cent of the appropriation to which the resources are redeployed;

(c) Authorizes additional extrabudgetary expenditures up to $3.8 million for the implementation of the Enterprise Resource Planning project.

Table I. Budget estimates by organizational unit within appropriation line, 2004-2005

(Thousands of United States dollars)

Appropriation line/ Organizational unit	2002-2003 revised estimates	Changes			2004-2005 estimates	Increase/Decrease	
		Volume Amount	%	Cost		US $000	%
A. Programme support							
1. Country Offices							
Africa	32,834.2	5,601.7	17.1%	(491.0)	37,944.9	5,110.7	15.6%
Arab States and Europe	14,002.2	880.4	6.3%	640.4	15,523.1	1,520.8	10.9%
Asia and the Pacific	15,925.0	680.4	4.3%	1,761.3	18,366.8	2,441.7	15.3%
Latin America and the Caribbean	13,265.8	632.3	4.8%	844.3	14,742.4	1,476.6	11.1%
Subtotal	76,027.3	7,804.9	10.3%	2,745.0	86,577.1	10,549.9	13.9%
2. Headquarters							
Africa Division	4,330.8	(172.3)	-4.0%	354.9	4,513.4	182.6	4.2%
Division for Arab States and Europe	3,341.8	(157.7)	-4.7%	276.8	3,460.9	119.0	3.6%
Asia and the Pacific Division	3,313.9	(126.6)	-3.8%	273.5	3,460.8	146.9	4.4%
Latin America and the Caribbean Division	3,368.4	(196.3)	-5.8%	282.2	3,454.3	85.9	2.6%
Technical Support Division	11,514.2	(1,516.6)	-13.2%	965.1	10,962.7	(551.4)	-4.8%
Strategic Planning and Coordination Div.	3,954.2	(4,266.0)	-107.9%	311.8	0.0	(3,954.2)	-100.0%
Strategic Planning Office	1,170.5	964.2	82.4%	106.6	2,241.3	1,070.8	91.5%
Humanitarian Response Unit	578.1	455.6	78.8%	53.8	1,087.6	509.4	88.1%
Subtotal	31,571.9	(5,015.7)	-15.9%	2,624.7	29,181.0	(2,391.0)	-7.6%
Subtotal: Programme support	107,599.0	2,789.2	2.6%	5,369.7	115,757.9	8,158.9	7.6%
B. Management and admin. of organization							
Office of the Executive Director	5,737.3	(655.2)	-11.4%	564.0	5,646.1	(91.2)	-1.6%
Division for Oversight Services	4,181.8	2,309.9	55.2%	394.2	6,885.9	2,704.1	64.7%
Information, Executive Board and Resource Mobilization Division	12,449.4	(697.7)	-5.6%	1,279.6	13,031.3	581.9	4.7%
Division for Management Services	18,331.3	(451.4)	-2.5%	1,599.9	19,479.8	1,148.5	6.3%
Division for Human Resources	6,897.2	1,022.6	14.8%	839.6	8,759.4	1,862.3	27.0%
Subtotal	47,597.0	1,528.3	3.2%	4,677.3	53,802.6	6,205.6	13.0%
TOTAL GROSS APPROPRIATION	155,196.1	4,317.4	2.8%	10,047.1	169,560.6	14,364.5	9.3%
Estimated income credit	(20,070.0)	5,470.0			(14,600.0)	5,470.0	-27.3%
TOTAL NET APPROPRIATIONS	135,126.1	9,787.4	7.2%	10,047.1	154,960.6	19,834.5	14.7%

Table II. Budget estimates by organizational unit within appropriation line, 2004-2005

(Thousands of United States dollars)

Appropriation line/ Organizational unit	2002-2003 revised estimates	Changes			2004-2005 estimates	Increase/Decrease	
		Volume Amount	Volume %	Cost		US $000	%
A. Programme support							
1. Country offices							
Posts a/	55,361.0	8,203.7	14.8%	3,843.7	67,408.3	12,047.4	21.8%
Other staff costs	783.2	(225.9)	-28.8%	15.9	573.2	(210.0)	-26.8%
Consultants	0.0	0.0	0.0%	0.0	0.0	0.0	0.0%
Travel	1,964.5	(165.8)	-8.4%	(166.8)	1,631.9	(332.6)	-16.9%
Operating expenses	14,845.5	619.5	4.2%	(940.7)	14,524.3	(321.2)	-2.2%
Furniture and equipment	3,073.2	(626.6)	-20.4%	(7.1)	2,439.5	(633.7)	-20.6%
Subtotal	76,027.3	7,804.9	10.3%	2,745.0	86,577.1	10,549.9	13.9%
2. Headquarters							
Posts a/	21,655.9	(2,100.2)	-9.7%	1,661.9	21,237.6	(418.3)	-1.9%
Other staff costs	226.1	(215.8)	-95.5%	49.7	60.0	(166.1)	-73.5%
Consultants	202.7	(150.3)	-74.2%	44.6	97.0	(105.7)	-52.2%
Travel	360.7	(177.1)	-49.1%	79.4	263.0	(97.7)	-27.1%
Operating expenses	5,147.4	(1,491.9)	-29.0%	438.7	4,094.2	(1,053.2)	-20.5%
Furniture and equipment	303.4	(139.7)	-46.0%	62.7	226.4	(77.0)	-25.4%
Reimbursements	3,875.7	(740.7)	-20.2%	267.7	3,202.6	(473.0)	-12.9%
Subtotal	31,571.8	(5,015.7)	-15.9%	2,624.7	29,180.9	(2,391.0)	-7.6%
B. Management and admin. of organization							
Posts a/	30,518.4	2,848.5	9.3%	2,722.9	36,089.8	5,571.4	18.3%
Other staff costs	320.8	48.5	15.1%	70.6	440.0	119.1	37.1%
Consultants	744.3	326.0	43.8%	163.7	1,234.0	489.7	65.8%
Travel	1,378.0	(307.2)	-22.3%	303.2	1,374.0	(4.0)	-0.3%
Operating expenses	8,915.2	(1,296.0)	-14.5%	935.3	8,554.5	(360.7)	-4.0%
Furniture and equipment	455.0	(154.9)	-34.0%	100.1	400.2	(54.8)	-12.0%
Reimbursements	5,265.2	63.3	1.2%	381.5	5,710.0	444.8	8.4%
Subtotal	47,597.0	1,528.3	3.2%	4,677.3	53,802.6	6,205.6	13.0%
TOTAL							
Posts a/	107,535.3	8,952.0	8.3%	8,248.5	124,735.8	17,200.5	16.0%
Other staff costs	1,330.1	(393.2)	-29.6%	136.2	1,073.1	(257.0)	-19.3%
Consultants	947.0	175.7	18.5%	208.3	1,331.0	384.0	40.5%
Travel	3,703.2	(650.1)	-17.6%	215.8	3,268.9	(434.3)	-11.7%
Operating expenses	28,908.1	(2,168.4)	-7.5%	433.3	27,173.0	(1,735.1)	-6.0%
Furniture and equipment	3,831.6	(921.2)	-24.0%	156.7	3,066.1	(765.4)	-20.0%
Reimbursements	8,940.8	(677.4)	-7.6%	649.1	8,912.6	(28.2)	-0.3%
TOTAL GROSS BUDGET ESTIMATES	155,196.1	4,317.4	2.8%	10,047.1	169,560.6	14,364.5	9.3%
Estimated income credit	(20,070.0)	5,470.0	-27.3%		(14,600.0)	5,470.0	-27.3%
TOTAL NET BUDGET ESTIMATES	135,126.1	9,787.4	7.2%	10,047.1	154,960.6	19,834.5	14.7%

a/ Includes costs for posts (local and international), training and EDP training.

Table III. Proposed net changes in regular resources post requirements, 2004-2005

Organizational Unit	2003-2003 Revised	International professional category & above									GS and Other Categ.	Grand Total	2004-2005
		USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat Prof			
2002-2003 revised approved posts		3	8	33	94	64	7	1	210	221	841	972	
I. POST INCREASES/DECREASES													
A. Programme support													
1. Country offices Total (net) -	744	0	0	0	0	0	0	0	0	4	0	4	748
2. Headquarters													
AD	13								0			0	13
DASE	10								0			0	10
APD	10								0			0	10
LACD	10								0			0	10
SPCD	0								0			0	0
HRU	3								0			0	3
SPO	6								0			0	6
TSD	30								0			0	30
Total (net) - A.2	82	0	0	0	0	0	0	0	0	0	0	0	82
Total (net) - A	826	0	0	0	0	0	0	0	0	4	0	4	830
B. Management and admin. of organ.													
OED	15								0		(2)	(2)	13
DOS	14				1	1			2			2	16
DMS	62					1			1		(2)	(1)	61
HERD	35					(1)			(1)		(2)	(3)	32
DHR	20					2			2		(2)	0	20
Total (net) - B	146	0	0	0	1	3	0	0	4	0	(8)	(4)	142
Totals: Post increases/decreases	972	0	0	0	1	3	0	0	4	4	(8)	0	972
II. POST RECLASSIFICATIONS												0	
A. Programme support									0			0	
Headquarters									0			0	
Country Offices									0			0	
Total (net)		0	0	0	0	0	0	0	0	0	0	0	
B. Management and admin. of organ.												0	
OED									0			0	
DOS				1	(1)				0			0	
DHR			1		1	(2)			0			0	
DMS				2		(2)			0			0	
HERD				1	(1)				0			0	
Total (net) - B		0	1	4	(1)	(4)	0	0	0	0	0	0	
Totals: Post classification (net)		0	1	4	(1)	(4)	0	0	0	0	0	0	
Total Changes (net)		0	1	4	0	(1)	0	0	4	4	(8)	0	
2004-2005 proposed posts		3	9	37	94	63	7	1	214	225	833	972	

Table IV. Estimated distribution of posts by source of funds and organizational unit

International professional category and above

Source of funds/ Organizational unit	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total	Nat. Prof.	GS and Other Categ.	Grand Total
A. Programme support											
1. Country offices											
2002-2003R Regular resources1/			18	59	22	0	0	99	221	424	744
Total - A1	**0**	**0**	**18**	**59**	**22**	**0**	**0**	**99**	**221**	**424**	**744**
2004-2005 Regular resources1/			18	59	22	0	0	99	225	424	748
Total - A1	**0**	**0**	**18**	**59**	**22**	**0**	**0**	**99**	**225**	**424**	**748**
2. Headquarters											
Africa Division											
2002-2003R Regular resources		1	1	2	3	0	0	7		6	13
Total	**0**	**1**	**1**	**2**	**3**	**0**	**0**	**7**	**0**	**6**	**13**
2004-2005 Regular resources		1	1	2	3	0	0	7		6	13
Total	**0**	**1**	**1**	**2**	**3**	**0**	**0**	**7**	**0**	**6**	**13**
Division for Arab States and Europe											
2002-2003R Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	**5**	**0**	**5**	**10**
2004-2005 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	**5**	**0**	**5**	**10**
Asia and the Pacific Division											
2002-2003R Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	**5**	**0**	**5**	**10**
2004-2005 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	**5**	**0**	**5**	**10**
Latin America and the Caribbean Division											
2002-2003R Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	**5**	**0**	**5**	**10**
2004-2005 Regular resources		1	1	1	2	0	0	5		5	10
Total	**0**	**1**	**1**	**1**	**2**	**0**	**0**	**5**	**0**	**5**	**10**
Technical Support Division											
2002-2003R Regular resources		1	4	10	2	1	0	18		12	30
Total	**0**	**1**	**4**	**10**	**2**	**1**	**0**	**18**	**0**	**12**	**30**
2004-2005 Regular resources		1	4	10	2	1	0	18		12	30
Total	**0**	**1**	**4**	**10**	**2**	**1**	**0**	**18**	**0**	**12**	**30**
Strategic Planning and Coordination Div.											
2002-2003R Regular resources		0	0	0	0	0	0	0		0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
2004-2005 Regular resources		0	0	0	0	0	0	0		0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Humanitarian Response Unit											
2002-2003R Regular resources		0	0	1	1	0	0	2		1	3
Total	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**2**	**0**	**1**	**3**
2004-2005 Regular resources		0	0	1	1	0	0	2		1	3
Total	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**2**	**0**	**1**	**3**
Strategic Planning Office											
2002-2003R Regular resources		0	1	1	2	0	0	4		2	6
Total	**0**	**0**	**1**	**1**	**2**	**0**	**0**	**4**	**0**	**2**	**6**
2004-2005 Regular resources		0	1	1	2	0	0	4		2	6
Total	**0**	**0**	**1**	**1**	**2**	**0**	**0**	**4**	**0**	**2**	**6**
Total: A2 Programme support HQ											
2002-2003R Regular resources	0	5	9	17	14	1	0	46	0	36	82
Total - A2	**0**	**5**	**9**	**17**	**14**	**1**	**0**	**46**	**0**	**36**	**82**
2004-2005 Regular resources	0	5	9	17	14	1	0	46	0	36	82
Total - A2	**0**	**5**	**9**	**17**	**14**	**1**	**0**	**46**	**0**	**36**	**82**
Total: A. Programme support											
2002-2003R Regular resources	0	5	27	76	36	1	0	145	221	460	826
Total - A	**0**	**5**	**27**	**76**	**36**	**1**	**0**	**145**	**221**	**460**	**826**
2004-2005 Regular resources	0	5	27	76	36	1	0	145	225	460	830
Total - A	**0**	**5**	**27**	**76**	**36**	**1**	**0**	**145**	**225**	**460**	**830**

Table IV. Estimated distribution of posts by source of funds and organizational unit (cont'd)
International professional category and above

Source of Funds/ Organizational unit	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Nat. Prof.		GS and Other Categ.	
B. Management and admin. of org.											
Office of the Executive Director											
2002-2003R Regular resources	1	0	0	2	2	0	0	7	0	8	15
Total	1	0	0	2	2	0	0	7	0	8	15
2004-2005 Regular resources	1	0	0	2	2	0	0	7	0	6	13
Total	1	0	0	2	2	0	0	7	0	6	13
Division for Oversight Services											
2002-2003R Regular resources		1	0	4	4	0	0	9		5	14
Total	0	1	0	4	4	0	0	9	0	5	14
2004-2005 Regular resources		1	1	4	5	0	0	11		5	16
Total	0	1	1	4	5	0	0	11	0	5	16
Division for Management Services											
2002-2003R Regular resources		1	1	4	8	6	1	21		41	62
Other res. rel. to reimb.		0	0	0	1	3	0	4		4	8
Total	0	1	1	4	9	9	1	25	0	45	70
2004-2005 Regular resources		1	3	4	7	6	1	22		39	61
Other res. rel. to reimb.		0	0	0	1	3	0	4		4	8
Total	0	1	3	4	8	9	1	26	0	43	69
Information, Executive Board and Resource Development Division											
2002-2003R Regular resources		1	4	6	9	0	0	20		15	35
Total	0	1	4	6	9	0	0	20	0	15	35
2004-2005 Regular resources		1	5	5	8	0	0	19		13	32
Total	0	1	5	5	8	0	0	19	0	13	32
Division for Human Resources											
2002-2003R Regular resources		0	1	2	5	0	0	8		12	20
Total	0	0	1	2	5	0	0	8	0	12	20
2004-2005 Regular resources		1	1	3	5	0	0	10		10	20
Total	0	1	1	3	5	0	0	10	0	10	20
Total B. Man. and admin. of org.											
2002-2003R Regular resources	3	3	6	18	28	6	1	65	0	81	146
Other res. rel. to reimb. 2/	0	0	0	0	1	3	0	4	0	4	8
Total - B	3	3	6	18	29	9	1	69	0	85	154
2004-2005 Regular resources	3	4	10	18	27	6	1	69	0	73	142
Other res. rel. to reimb. 2/	0	0	0	0	1	3	0	4	0	4	8
Total - B	3	4	10	18	28	9	1	73	0	77	150
Grand Total											
2002-2003 Regular resources	3	8	33	94	64	7	1	210	221	541	972
Other res. rel. to reimb.	0	0	0	0	1	3	0	4	0	4	8
GRAND TOTAL	3	8	33	94	65	10	1	214	221	545	980
2004-2005 Regular resources	3	9	37	94	63	7	1	214	225	533	972
Other res. rel. to reimb.	0	0	0	0	1	3	0	4	0	4	8
GRAND TOTAL	3	9	37	94	64	10	1	218	225	537	980

Table V. Use of resources: Estimated regional distribution of programmes and programme-support funds

(Thousands of United States dollars)

	2002-2003 Revised						2004-2005					
	Regular resources Amount	%	Other resources Amount	%	Total resources Amount	%	Regular resources Amount	%	Other resources Amount	%	Total resources Amount	%
AFRICA												
A. Programmes	125,549.7		61,978.5		187,528.2		138,948.0		54,513.5		193,462.1	
B. Programme support												
Country offices	28,588.1				28,588.1		34,677.7				34,677.7	
Africa Division	3,770.8				3,770.8		4,124.8				4,124.8	
Subtotal - Prog. support	32,358.8				32,358.8		38,802.5				38,802.5	
Total Africa	157,908.6	28.0%	61,978.5	31.4%	219,887.0	28.9%	177,751.1	30.4%	54,513.5	32.7%	232,264.6	30.9%
ARAB STATES AND EUROPE												
A. Programmes	48,980.7		24,179.6		73,160.3		54,189.1		21,252.1		75,441.2	
B. Programme support												
Country offices	12,191.5				12,191.5		14,188.4				14,188.4	
Div. for Arab States and Europe	2,909.6				2,909.6		3,162.9				3,162.9	
Subtotal - Prog. support	15,101.1				15,101.1		17,349.3				17,349.3	
Total Arab States and Europe	64,081.8	11.4%	24,179.6	12.2%	88,261.4	11.6%	71,538.4	12.2%	21,252.1	12.7%	92,790.5	12.4%
ASIA AND THE PACIFIC												
A. Programmes	119,582.0		59,032.5		178,614.5		129,653.3		58,866.7		188,520.0	
B. Programme support												
Country offices	13,865.6				13,865.6		16,785.3				16,785.3	
Asia and the Pacific Division	2,885.4				2,885.4		3,162.8				3,162.8	
Subtotal - Prog. support	16,751.0				16,751.0		19,948.1				19,948.1	
Total Asia and the Pacific	136,333.0	24.2%	59,032.5	29.9%	195,365.5	25.7%	149,601.4	25.6%	58,866.7	30.5%	208,468.1	26.7%
LATIN AMERICA & CARIBBEAN												
A. Programmes	31,990.7		15,792.4		47,783.2		38,142.8		14,964.5		53,107.2	
B. Programme support												
Country offices	11,550.3				11,550.3		13,473.0				13,473.0	
Latin America and the Carib. Div.	2,932.8				2,932.8		3,156.9				3,156.9	
Subtotal - Prog. support	14,483.0				14,483.0		16,629.9				16,629.9	
Total Latin America and the Caribbean Division	46,473.8	8.2%	15,792.4	8.0%	62,266.2	8.2%	54,772.6	9.4%	14,964.5	9.0%	69,737.1	9.3%
INTERCOUNTRY a_/												
A. Programmes	64,439.6		31,811.0		96,250.6		39,765.4		15,593.2		55,358.6	
B. Programme support												
Technical Support Div.	10,025.2				10,025.2		10,018.8				10,018.8	
BPO, HRU	4,965.4				4,965.4		3,042.2				3,042.2	
Subtotal - Prog. support	14,990.5				111,241.1		13,061.0				68,399.7	
Total Intercountry	79,430.1	14.1%	31,811.0	16.1%	111,241.1	14.8%	52,826.4	9.0%	15,593.2	9.3%	68,399.7	9.1%
TOTAL UNFPA												
A. Programmes	**300,542.7**		**193,794.0**		**583,356.7**		**469,659.3**		**197,189.0**		**597,949.3**	
B. Programme support												
Country offices	**66,198.6**		**0.0**		**66,198.6**		**79,123.4**		**0.0**		**79,123.4**	
Headquarters	**37,489.1**		**0.0**		**37,489.1**		**38,658.4**		**0.0**		**38,658.4**	
Subtotal - UNFPA Prog sup	93,684.5		0.0		93,684.5		103,791.8		0.0		103,791.8	
Subtotal - UNFPA Prog. and prog. sup	494,227.2	88.0%	193,794.0	97.6%	689,021.2	90.5%	510,200.0	87.4%	197,189.0	94.2%	687,389.0	88.9%
UN Agency support	26,370.0	4.7%	4,681.0	2.4%	31,051.0	4.1%	24,490.0	4.2%	9,750.0	5.0%	34,240.0	4.4%
Total Programmes and prog.support	522,597.2	92.7%	197,475.0	100.0%	720,072.2	94.6%	534,690.0	91.6%	166,940.0	100.0%	701,630.0	93.3%
C. Management and admin. of org	**41,441.8**	**7.3%**	**0.0**	**0.0%**	**41,441.8**	**5.4%**	**49,170.0**	**8.4%**	**0.0**	**0.0%**	**49,170.0**	**6.5%**
D. ONE TIME REQUIREMENTS												
ERP project	**10,000.0**				**10,000.0**		**3,750.0**				**3,750.0**	
Additional requirements for term. payments	**2,000.0**				**2,000.0**		**0.0**				**0.0**	
Total	12,000.0	2.1%	0.0	0.0	12,000.0	1.6%	3,750.0	0.6%	0.0	0.0%	3,750.0	0.5%
TOTAL - UNFPA	564,039.0	100.0%	197,475.0	100.0%	761,514.0	100.0%	587,610.0	100.0%	166,940.0	100.0%	754,550.0	100.0%

a_/ Under 2004-2005, the breakdown of programme resources between country and intercountry is based on the provisional MYFF for 2004-2007. Intercountry includes only interregional funds. Regional funds are included in their respective regions.

TABLE VI

USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY REGION AND BY COUNTRY

(Thousands of United States Dollars)

Country	RESOURCES (2004-2007) a/					POSTS (2004-2007)			
	PROGRAMME					HQ Posts b/			
	Regular Resources	Other Resources	Total Resources	DSS (Ceiling)	TOTAL Programme & DSS	IP	HP	CS/Oth.	Total Support
I. AFRICA									
Angola	4,502.0	158.1	4,660.1	1,489.6	6,149.7	1	4	5	10
Benin	2,471.2	1,035.8	3,507.0	907.3	4,414.3	1	3	5	9
Botswana	734.0	2,289.6	3,023.6	760.8	3,784.4	1	1	4	6
Burkina Faso	3,621.2	1,798.9	5,420.1	832.2	6,252.3	1	3	5	9
Burundi	2,373.3	0.0	2,373.3	851.9	3,225.3	1	2	5	8
Cameroon	3,513.5	0.0	3,513.5	892.0	4,405.5	1	3	5	9
Cape Verde	1,223.4	490.6	1,714.0	320.8	2,034.8	0	1	3	4
Central African Republic	1,918.3	54.5	1,972.8	883.2	2,856.0	1	3	4	8
Chad	2,720.8	109.0	2,829.8	851.1	3,680.9	1	3	5	9
Comoros	856.4	0.0	856.4	219.1	1,075.5	0	1	2	3
Congo, Republic of the	1,590.4	0.0	1,590.4	950.5	2,540.9	1	2	5	8
Congo, Democratic Republic of	6,361.6	0.0	6,361.6	1,437.2	7,798.7	2	4	5	11
Cote d'Ivoire	2,448.8	1,908.0	4,354.7	1,117.2	5,471.9	1	4	5	10
Equatorial Guinea	1,223.4	0.0	1,223.4	313.2	1,536.6	0	1	2	3
Eritrea	2,454.5	2,943.7	5,398.2	540.8	5,938.0	1	2	5	8
Ethiopia	7,169.0	654.2	7,823.1	1,101.9	8,925.0	2	4	5	11
Gabon	440.4	0.0	440.4	327.8	768.2	0	1	2	3
Gambia	1,345.7	0.0	1,345.7	176.8	1,522.6	0	1	2	3
Ghana	5,970.1	1,853.5	7,823.5	625.6	8,449.2	1	3	5	9
Guinea	2,948.3	218.1	3,166.4	673.6	3,840.0	1	3	5	9
Guinea-Bissau	1,181.0	0.0	1,181.0	905.1	2,086.2	1	2	4	7
Kenya	4,648.8	0.0	4,648.8	1,371.6	6,020.4	2	3	5	10
Lesotho	856.4	218.1	1,074.4	152.7	1,227.1	0	1	2	3
Liberia	1,957.4	0.0	1,957.4	893.2	2,850.6	1	3	5	9
Madagascar	4,183.9	272.6	4,456.5	976.4	5,432.9	2	3	5	10
Malawi	3,566.1	3,815.9	7,382.1	808.5	8,190.6	1	3	5	9
Mali	4,336.4	490.6	4,847.1	961.7	5,808.8	1	4	6	11
Mauritania	1,835.1	1,471.9	3,306.9	673.3	3,980.3	1	2	5	8
Mauritius	122.3	0.0	122.3	-	122.3	0	0	0	0
Mozambique	4,751.6	218.1	4,969.6	1,222.2	6,191.9	2	3	5	10
Namibia	1,585.5	381.6	1,967.1	552.2	2,519.3	1	1	2	4
Niger	4,318.5	2,889.2	7,207.7	813.4	8,021.1	1	3	5	9
Nigeria	11,228.1	18,098.5	29,326.6	1,438.5	30,765.2	2	4	5	11
Rwanda	2,373.3	2,725.7	5,099.0	734.4	5,833.4	1	3	4	8
Sao Tome and Principe	489.4	0.0	489.4	206.1	695.5	0	1	2	3
Senegal	3,482.2	1,015.8	4,497.9	1,067.7	5,565.6	1	4	5	10
Seychelles	90.5	0.0	90.5	-	90.5	0	0	0	0
Sierra Leone	2,801.5	0.0	2,801.5	721.3	3,522.9	1	3	5	9
South Africa	1,585.5	0.0	1,585.5	1,423.3	3,008.8	2	5	5	12
Swaziland	611.7	272.6	884.3	233.1	1,117.4	0	1	2	3
Togo	2,298.8	0.0	2,298.8	863.1	3,161.8	1	2	5	8
Uganda	6,483.9	2,507.6	8,991.5	1,186.1	10,177.6	2	3	5	10
United Republic of Tanzania	4,685.5	1,853.5	6,539.0	1,447.0	7,986.0	2	4	5	11
Zambia	3,366.7	0.0	3,366.7	741.4	4,108.1	1	3	5	9
Zimbabwe	2,691.4	60.0	2,751.4	620.2	3,371.6	1	3	5	9
Regional Africa	7,692.7	4,688.2	12,380.8	2,650.5	15,031.3	0	0	0	0
Subtotal, Africa	138,948.6	64,833.5	203,482.1	37,044.8	231,497.8	61	113	186	242

TABLE V (cont'd)

USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMES AND PROGRAMME SUPPORT BY REGION AND BY COUNTRY

(Thousands of United States Dollars)

Country	RESOURCES (2004-2007) a/					POSTS (2004-2007)			
	PROGRAMME					Field Posts b/			
	Regular Resources	Other Resources	Total Resources	RSS (Cluster)	TOTAL Programme & RSS	IP	HP	CO/OA	Total Support
E. ARAB STATES AND EUROPE									
Albania	429.8	0.0	429.8	317.0	946.8	0	1	2	3
Algeria	2,532.6	85.0	2,617.6	422.9	3,040.4	1	2	4	7
Armenia	383.1	0.0	383.1	112.7	495.8	0	1	2	3
Azerbaijan	936.3	296.3	1,232.6	191.6	1,424.3	0	1	2	3
Bahrain	7.0	0.0	7.0	-	7.0	0	0	0	0
Belarus	256.6	0.0	256.6	-	256.6	0	0	0	0
Bosnia and Herzegovina	419.9	0.0	419.9	177.2	597.0	0	1	1	2
Bulgaria	279.9	0.0	279.9	-	279.9	0	0	0	0
Djibouti	1,049.6	0.0	1,049.6	265.6	1,315.3	0	1	2	3
Egypt	4,956.4	1,002.6	5,961.0	926.0	6,886.9	1	2	5	8
Estonia	38.3	0.0	38.3	-	38.3	0	0	0	0
Georgia	559.8	0.0	559.8	188.8	748.6	0	1	2	3
Iraq	1,343.5	0.0	1,343.5	593.7	1,937.2	1	1	4	6
Jordan	1,146.3	1,003.9	2,150.1	251.2	2,501.3	0	1	2	3
Kazakhstan	979.7	0.0	979.7	251.6	1,231.3	0	1	2	3
Kosovo	431.5	4,866.7	5,298.3	-	5,298.3	0	0	0	0
Kyrgyzstan	979.7	0.0	979.7	230.0	1,209.7	0	1	2	3
Latvia	116.6	0.0	116.6	-	116.6	0	0	0	0
Lebanon	699.8	637.6	1,337.3	370.3	1,707.7	0	1	2	3
Libyan Arab Jamahiriya	0.0	0.0	0.0	-	0.0	0	0	0	0
Lithuania	140.0	0.0	140.0	-	140.0	0	0	0	0
Morocco	3,498.8	212.5	3,711.3	907.8	4,619.2	1	2	4	7
Occupied Palestinian Territories	1,866.0	1,393.9	3,459.9	859.6	4,319.5	1	1	3	5
Oman	11.7	1,275.1	1,286.8	-	1,286.8	0	0	0	0
Poland	140.0	0.0	140.0	-	140.0	0	0	0	0
Qatar	4.7	0.0	4.7	-	4.7	0	0	0	0
Republic of Moldova	279.9	0.0	279.9	-	279.9	0	0	0	0
Romania	653.1	871.3	1,524.4	757.9	2,282.4	1	1	5	7
Russian Federation	936.3	0.0	936.3	974.1	1,910.5	1	1	3	5
Saudi Arabia	23.3	0.0	23.3	-	23.3	0	0	0	0
Somalia	1,399.5	170.0	1,569.5	538.9	2,108.4	1	2	3	6
Sudan	5,131.6	0.0	5,131.6	1,155.4	6,287.1	2	3	5	10
Syrian Arab Republic	4,058.6	2,699.0	6,757.7	598.0	7,355.7	1	1	5	7
Tajikistan	1,003.0	0.0	1,003.0	120.6	1,123.6	0	1	2	3
Tunisia	1,166.3	722.6	1,888.8	196.5	2,085.4	0	1	2	3
Turkey	1,439.5	0.0	1,439.5	915.8	2,355.2	1	1	5	7
Turkmenistan	1,003.0	0.0	1,003.0	178.0	1,181.0	0	1	2	3
Ukraine	336.5	510.1	1,846.5	167.4	1,214.0	0	1	2	3
United Arab Emirates	9.3	0.0	9.3	-	9.3	0	0	0	0
Uzbekistan	1,212.9	0.0	1,212.9	964.2	2,177.2	2	2	4	8
Yemen	4,465.1	1,551.4	6,216.5	973.8	7,190.3	2	3	4	9
Regional Arab States	7,051.6	3,634.1	10,685.7	1,316.4	12,202.1	0	0	0	0
Subtotal, Arab States and Europe	64,388.1	25,382.1	89,471.2	14,025.1	103,696.3	24	36	81	139

TABLE VI (cont'd)

USE OF RESOURCES: ESTIMATED DISTRIBUTION OF PROGRAMMABLE AND PROGRAMME SUPPORT BY REGION AND BY COUNTRY

(Thousands of United States Dollars)

Country	RESOURCES (2004-2007) a/ PROGRAMME					POSTS (2004-2007) DSS Posts b/			
	Regular Resources	Other Resources	Total Resources	DSS (Direct)	TOTAL Programme & DSS	IP	PP	GS/OA	Total Support
VI. ARIA AND THE PACIFIC									
Afghanistan	4,220.8	4,476.3	8,697.0	907.9	9,604.9	2	3	5	10
Bangladesh	12,782.9	24,486.9	37,269.8	1,133.4	38,403.1	2	3	5	10
Bhutan	1,467.1	0.0	1,467.1	90.6	1,557.7	0	1	2	3
Cambodia	6,825.6	0.0	6,825.6	1,073.8	7,899.4	2	3	5	10
India	24,118.7	0.0	24,118.7	1,208.1	25,326.8	2	3	5	10
China	8,362.1	0.0	8,362.1	1,349.4	9,911.5	2	3	5	10
Indonesia	6,039.7	1,119.1	7,148.7	842.1	7,990.8	1	3	5	9
Iran, Islamic Rep. of	5,426.7	0.0	5,426.7	821.5	6,248.2	1	2	5	8
Korea, Democratic People's Republic of	1,939.5	0.0	1,939.5	97.4	2,036.9	0	1	2	3
Lao People's Democratic Republic	2,633.1	0.0	2,633.1	585.9	3,219.0	1	2	5	8
Malaysia	723.6	0.0	723.6	-	723.6	0	0	0	0
Maldives	1,885.3	0.0	1,885.3	154.6	1,040.0	0	1	2	3
Mongolia	3,497.2	703.0	4,200.2	545.0	4,805.2	1	2	5	8
Myanmar	4,944.3	0.0	4,944.3	397.6	5,341.9	1	3	5	9
Nepal	6,039.7	2,543.3	8,573.0	1,019.1	9,592.1	2	3	5	10
Pacific Island Countries a/	3,497.2	2,746.8	6,244.0	1,061.9	7,305.9	2	3	5	10
Pakistan	9,385.7	7,019.6	16,405.3	1,277.5	17,902.8	2	3	5	10
Papua New Guinea	1,447.1	0.0	1,447.1	630.3	2,077.4	1	2	5	8
Philippines	6,739.9	1,082.2	7,339.1	810.0	8,149.0	1	2	5	8
Sri Lanka	2,170.7	559.5	2,730.2	508.1	3,238.3	1	1	4	6
Thailand	1,447.1	0.0	1,447.1	396.8	1,843.9	0	1	2	3
Timor-Leste	2,391.3	0.0	2,391.3	600.5	2,891.8	1	2	5	8
Viet Nam	7,838.6	813.9	8,652.4	669.3	9,321.8	1	2	5	8
Regional Asia Pacific	5,138.4	5,280.1	10,418.6	1,946.3	12,364.9	0	0	0	0
Subtotal, Asia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	26	42	97	172
IV. LATIN AMERICA AND THE CARIBBEAN									
Argentina	637.4	0.0	637.4	-	637.4	0	0	0	0
Bolivia	2,804.6	2,020.7	4,725.3	894.6	7,619.9	1	1	5	7
Brazil	1,529.8	0.0	1,529.8	870.4	2,380.2	1	2	4	7
Chile	255.0	0.0	255.0	-	255.0	0	0	0	0
Colombia	1,402.3	0.0	1,402.3	624.9	2,027.2	1	1	3	5
Costa Rica	637.4	164.6	802.0	248.3	1,050.3	0	1	2	3
Cuba	1,274.8	0.0	1,274.8	171.1	1,445.9	0	1	2	3
Dominican Republic	1,274.8	239.4	1,514.3	304.2	1,818.5	0	1	2	3
Ecuador	2,039.7	1,651.1	3,690.8	948.7	4,639.5	1	2	4	7
El Salvador	1,402.3	897.9	2,300.2	326.0	2,626.1	0	1	2	3
English and Dutch-Speaking Caribbean a/	1,657.3	164.6	1,821.9	1,505.1	3,327.0	2	3	4	9
Guatemala	1,274.8	0.0	1,274.8	789.1	2,064.0	1	1	4	6
Haiti	2,549.6	289.3	2,848.9	862.3	3,711.2	1	2	4	7
Honduras	3,314.5	2,169.9	5,484.4	1,084.3	6,568.6	2	2	4	8
Mexico	1,784.8	1,137.3	2,922.1	1,683.3	4,605.3	1	2	5	8
Nicaragua	2,549.6	3,352.0	5,901.7	935.2	6,836.9	1	2	5	8
Panama	892.4	0.0	892.4	312.3	1,204.7	0	1	1	2
Paraguay	1,529.8	0.0	1,529.8	221.5	1,751.3	0	1	2	3
Peru	2,804.6	164.8	2,969.4	1,301.8	4,271.2	1	2	5	8
Uruguay	255.0	0.0	255.0	-	255.0	0	0	0	0
Venezuela	1,784.8	0.0	1,784.8	114.3	1,899.1	0	1	2	3
Regional Latin America	4,487.4	882.9	5,370.3	1,585.0	6,955.3	0	0	0	0
Subtotal, Latin America and the Caribbean	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12	27	68	108
V. INTERREGIONAL									
Interregional	39,345.4	15,993.2	55,338.6	-	55,338.6				
Subtotal, Interregional	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]				
GRAND TOTAL, ALL REGIONS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	99	225	454	748

a/ The breakdown of regular resources for programme between country and intercountry is based on the provisional MYFF plan for 2004-07. Breakdown by country is based on 2003 expenditure ceilings approved by the Executive Director. Other resources breakdown by country is based on allocations for 2003 and beyond or commodity recorded in WinPRAIS.

b/ New country office typology

c/ South Pacific Island Countries (SOP), consist of: Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Pacific Islands, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu

d/ English and Dutch-speaking Caribbean (EDC) consists of: Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Dominica, Guyana, Grenada, Jamaica, Montserrat, Netherlands Antilles, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Turks and Caicos Islands

Annex I

TERMINOLOGY

Terms upon which common agreement has been reached and their corresponding definitions are given below.

Appropriation line – Definition similar to those included in the Financial Regulations of UNDP, UNFPA and UNICEF

A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Biennial support budget

The budget of an organization covering programme support and management and administration of the organization.

Cost (increase or decrease) – ACC definition

Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Management and administration of the organization

Organizational units whose primary function is the maintenance of the identity, direction and well-being of an organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration.

Other resources

Resources of a voluntarily funded organization, other than regular resources, which are received for a specific programme purpose (other resources relating to programmes) and for the provision of specific services to third parties (other resources relating to reimbursements).

Other resources relating to programmes

Resources of a voluntarily funded organization, other than regular resources, which are received for a specific programme purpose that is consistent with the aims and activities of the organization. These include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings, and miscellaneous income.

Other resources relating to reimbursements

Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not related to carrying out programmes entrusted to it for implementation.

Programmes

Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. These may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance, and individual or group training.

Programme support

Organizational units whose primary function is the development, formulation, delivery and evaluation of an organization's programmes. These will typically include units that provide backstopping of programmes either on a technical, thematic, geographic, logistical or administrative basis.

Regular resources

Resources of a voluntarily funded organization that are commingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings, and miscellaneous income.

Various cost adjustments

Cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

Volume (increase or decrease)

Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex II

METHODOLOGY

1. The methodology involves several sequential steps in calculating estimates. These calculations are effected separately for each year of a biennium. Essentially, the methodology is to take the approved appropriations for the first year of the current biennium and add the volume and cost adjustments, which results in the estimates required for the first year of the proposed biennium. Similarly, the approved appropriations for the second year of the current biennium are updated to result in the estimates required for the second year of the proposed biennium. It should be borne in mind that, normally, the time during which estimates are prepared for the proposed biennial support budget is the first months of the second year of the current biennium. A description of each sequential step follows.

Volume adjustments

2. First, using the approved appropriations as a base, the real increases or decreases in requirements are calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, subject to the executive head's assessment of what the organization requires to perform the task with which it is entrusted. Such volume changes are calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

Various cost adjustments

3. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments. Except for within-grade increments, they reflect only known changes that have occurred in the two years since the preparation of the last biennial support budget. Such cost factors include, for example, decisions of the International Civil Service Commission on a variety of staff entitlements (e.g., dependency allowances and education grants), and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot on relocation of premises.

Currency adjustment

4. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. These currency adjustments would normally be the difference between the United Nations operational rate of exchange in effect on, for example, 1 April of the year preceding the current biennium and, for example, on 1 April of the second year of the current biennium, i.e., the time of preparation of the proposed biennial support budget. This factor is of particular importance given the extent of the field offices of the organization, where operating costs vary greatly with the strength or otherwise of the United States dollar.

Inflation adjustment

5. Finally, to complete the picture and to develop the final estimate of requirements for the next biennium, the organization must adjust or estimate, as appropriate, inflation over a four-year period.

These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency; as follows:

(a) For the first year of the current biennium to the first year of the proposed biennium. The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) the difference between the application of earlier estimates and the actual inflation for the first year of the current biennium;

(ii) the difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium; and

(iii) the inflation projection for the first year of the proposed biennium.

(b) For the second year of the current biennium to the second year of the proposed biennium:

(i) – (iii) as in (a) above; and

(iv) the inflation projection for the second year of the proposed biennium.

6. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The first inflation factor pertains to the estimated movement of post adjustment for international Professional staff;

(b) The second inflation factor pertains to international travel and common staff costs for internal Professional staff (this is the same for all locations);

(c) The third factor encompasses salaries and common staff costs for local staff, i.e., in the national Professional category and General Service and other categories, which may vary significantly from location to location; and

(d) The fourth factor relates to all other costs, such as operating expenses.

7. Within the general framework, New York and Geneva are treated separately from field offices. For these two locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

8. Apart from a limited number of cost elements such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information that is available and published before being applied to the budget estimates.

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